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SUNDAY TIMES

# business news

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## CBI says 4% growth or else...

BY KEITH RICHARDSON

TISH INDUSTRIALISTS have given clear notice on the Government that last week's offer to set a voluntary price brake will be drawn if they are not satisfied with the mini-Budget which Anthony Barber, the Chancellor of the Exchequer, presents to the House of Commons tomorrow.

Their benchmark is that the Budget be expansionary enough to derate the economic growth rate between mid-1971 and mid-1972. A substantial part of this expansion, verily a third, must be geared to stimulating industrial investment.

return the Confederation of British Industry, after giving the Chancellor all month's notice of the plan, has revealed to him full details of the intended degree of support which already been pledged to the price-down by the leaders of the country's big companies.

has thus been made clear that today's Budget is the last but not the last for the Government to achieve voluntary restriction on prices which has been asked for since the election. It is rejected then the chances of a wage restraint are almost certainly lost as well.

Tuesday the CBI will make its own statement of the Budget measures. It estimates that the economy is in a state of "only if it is satisfied that a price has been set for 4% will it

ask its 200 biggest members—all those with over 5,000 employees—to sign the formal undertaking to keep price increases below 5% during the twelve months ending July 1972.

Since it is only this extra growth which can compensate companies for the short-term damage to profits caused by the price-freeze, it has also been made clear that the CBI will monitor the growth rate during the 12 months and if it falls short of 4% it will feel free to release companies from their undertaking.

A massive test-marketing has already shown that the CBI scheme commands genuine support in industry. The main argument used by CBI director-general Campbell Adamson has been this: that once the increase in retail prices had reached 10% a year, in line with the level of wage settlements, a "warrior" had been set up which could not be breached by gradual pressure.

Since discussions with the unions have convinced the CBI that there is no chance of a joint deal on wages and prices, an initiative by industry alone seemed the only solution. The proposal does not depend on a favourable reaction from the unions, and Adamson does not expect much union response until after some months, when a sustained slowdown in prices has been clearly established.

After clearing the idea in outline with the Government Adamson and CBI president Sir John Partridge put the draft undertaking to a meeting of their 50

biggest companies—attended by chairman or managing director in every case but one—on Monday, July 5.

More than 40 of them expressed full support and readiness in principle to sign the document, while asking for changes in detail. Only two companies flatly rejected it—and one of those has since softened its attitude.

On July 6 the chairman of the nationalised industries were called in: as they control the price of basic commodities such as steel, their backing is a condition of the whole deal and most of them promised support if they could get clearance from Government. The CBI hopes that this clearance will also be given early this week.

Later that week the CBI also saw the chairman of its regional committees and main specialised committees, the chairmen of the clearing banks, and five of the country's biggest retailing chains, followed last week by discussions with the leading department stores and the specialist food retailing chains. Again full support was promised—except for reservations about dependence on world food prices. The support of the banks, who may be called to the aid of companies who suffer most from the squeeze, was regarded as a critical step.

Finally on Thursday last week the proposal was put to a council meeting of well over 200 CBI members, and on a show of hands received perhaps 85% support. As a result of these soundings

Adamson claims that most of the 200 companies on his list have already been at least indirectly consulted and have shown a favourable reaction. A formal meeting with the 150 who missed the July 5 discussion has been called for late this week.

Arrangements to monitor the deal if it goes ahead have not been completely settled. But the principle is this: Chairmen of public opinion could be then can, and in any case to limit them below 5%. If they feel compelled to go above 5%, then they promise to consult with the CBI first.

Adamson assured me last week that the CBI will investigate the justification for increases over 5%, very seriously and not rubber-stamp them. He also gave a specific promise that if any prices were seen to rise above 5%, the CBI would, if asked, indicate whether the rises had its approval or amounted to a breach of the undertaking, so that the pressure of public opinion could be brought to bear where necessary.

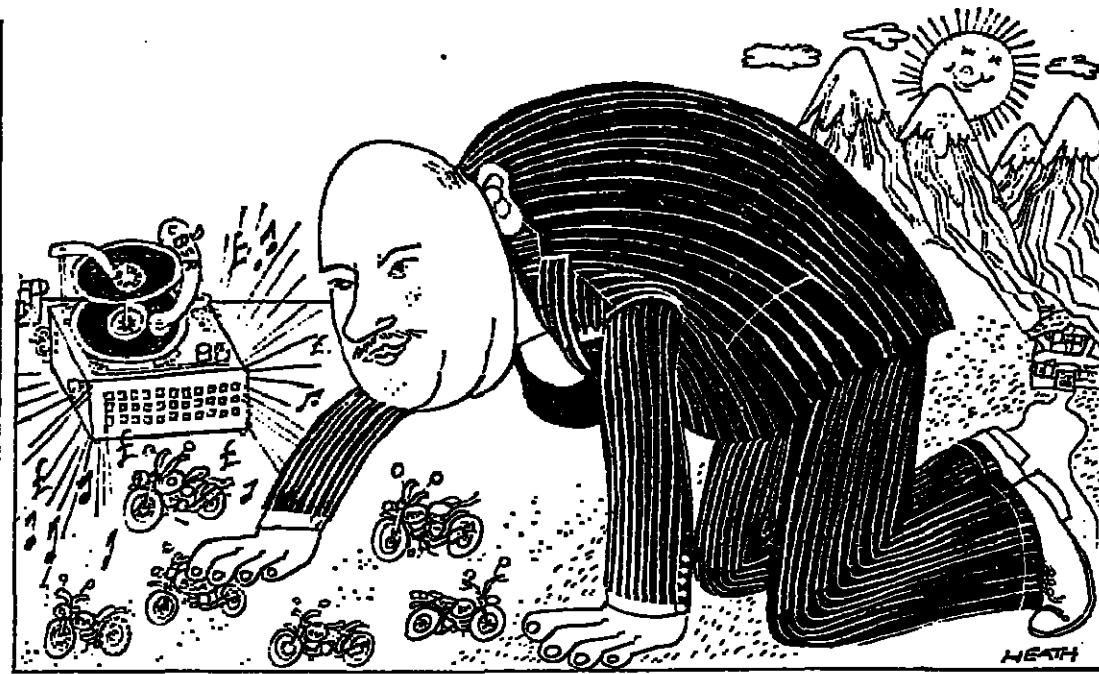
The only general exception to the freeze will be where UK prices are substantially affected by uncontrollable rises in world market prices, particularly affecting food and metals such as copper. Companies will still, however, be expected to ensure that the unavoidable minimum bid for materials stays in BSA, the famous but ailing motor cycle firm.

It was a move that caused more than the usual amount of interest; by last Thursday there were no less than 24 newspapers and magazines anxious to interview him. But the reason for the excitement lay not in the fact but in the circumstances of the bid. After all it is not every day that a self-made man stages a comeback on this scale at an age when most men would be content to watch the roses grow. Nor is it common for a private individual, no matter how wealthy, to be prepared to risk £5.5 million of his own money to rescue a company, no matter how famous.

And the fact that Dr. McDonald has another £14 million or so to spare is for the time being neither here nor there. Obviously the first question is: Why? For McDonald has a great deal to lose and much to gain. At the moment his reputation as a hard-driving, immensely successful entrepreneur remains intact. Between 1951 when as a 45-year-old Glasgow-educated electronics engineer he first started the BSR Monarch record changer business and 1968 when he finally retired he built one of the most successful electronics businesses Britain has ever known. By first inventing and then exploiting his own record changer design he established a lead for the company which even the Japanese failed to crack. At one time BSR had no less than an 80% share of the mass produced record changer market.

Since leaving England McDonald has lived in some style. He has three homes, a luxurious villa on Lake Geneva, decorated with ornate hand-painted panels in the eighteenth century mode—"I love everything about the eighteenth century"—a large estate in County Donegal where he grows barley and ears beat and a house in Bermuda. And when he is not dashing round Europe in his private jet, a £500,000 Hawker Siddeley 125 which he bought from his old company, he spends his time reading Proust in the original and walking by the lake.

But these contemplative pleasures plainly do not satisfy the restless Dr. McDonald who ever since his "retirement" has been itching to return to the fray. In the past two years he has bought a loss-making German vacuum cleaner factory which formerly belonged to BSR and he also supervises a small engineering company in East Kilbride. "Quite frankly I was bored," he says. "I wanted to do something bigger before I die." And at the



## The BSA cure for boredom

"OFFICIALLY," said Dr Daniel McDonald last week, "I'm an elderly gentleman who is in retirement." That is true enough; he will be 68 in September. Lives for much of the year in Switzerland and is not permitted by the Swiss authorities to work in his adopted country. But he is by no means in retirement in any conventional sense. And to prove the point he emerged last week from his villa overlooking Lake Geneva to make a surprise £5.5 million bid for a major stake in BSA, the famous but ailing motor cycle firm.

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moment, so his doctors say, he is in the best of health. But why BSA? The answer contains an important clue to McDonald's complex character. Though he is a Highland Scot by birth, the fourth son of a grocer who became the provost of Fort William, his emotional roots are in the Midlands where he first set out, after qualifying in Glasgow with First Class honours as an electronic engineer and where he subsequently "because I was bored"—studied for a medical degree, a qualification he has never used. "If BSA had been in Düsseldorf I wouldn't even have looked at it; nor would I if it had been in Manchester," he says. "But the fact that it is in Birmingham makes it interesting."

McDonald is a strange mixture of the gruff and the bluff. With his gold-rimmed glasses, balding head and deep set blue eyes he looks more like a family doctor than a multi-millionaire. He professes no interest at all in the mechanics of money, he never reads the financial columns, ignores the stock market and says "I hate messing about with money." But the comparison does not stop there. He has the opinionated, somewhat choleric manner of the long-established provincial professional man. "I am," he says, "a man who is inclined to say what I think." It is this characteristic that has earned him an unenviable reputation as a root and branch opponent of the trade unions. In 1967 he shut down two of his factories in Londonderry largely

on the grounds that the unions were pressing for recognition and when the men asked for redundancy money their claims were resisted. Two years later, after McDonald had left for Switzerland the East Kilbride factory was shut for 12 weeks while the management resisted a union claim for recognition.

Is McDonald an anti-trade union as he is made out to be? "I'm not against trade unions provided they are working in the interests of the working man," he replied. "But who in their right mind," he added, "could say that they are." What then are the best interests of the working man? It was at this point Dr McDonald turned to John Bunyan for assistance. "People need a vision to work towards, a 'delectable mountain'. And they will only reach it if they are prepared to be disciplined. In my experience the more disciplined people are the happier they will be."

It was this lack of so-called discipline that was one of the reasons, apart from tax considerations, that led McDonald to leave Birmingham for Switzerland. "Is it nice," he asks, "to live in a country where the telephones don't work and people stand in queues for hours waiting for trains that don't arrive? Every time I opened my morning paper I used to get very angry. But now, we asked, did he think his workers regarded him? There was a long pause. "I think," he said at last, "that they looked on me as a leader."

Stephen Aris

## 26m offshore fund quits Britain

BY RICHARD MILNER

ITAL GROWTH FUND, an offshore mutual fund with assets of some \$29 million at the end of June, has announced plans to close down its London head office. Current operations are to be terminated completely by the end of the year.

Mr. C. W. Wainwright, president of the fund, said that the fund's operations had been "disrupted" by the closure of the fund's office in London. He said that the fund's operations had been "disrupted" by the closure of the fund's office in London.

precise fiscal benefits of this switch were not detailed at the staff meeting on Thursday.

"It's an economy drive," Mr. Wainwright explained yesterday. "Obviously the fund is much smaller than it was two years ago. We're trying to cut down overheads and rents in London are very high. It's simply a question of consolidation." An indication of the effect of the Investors Overseas Services crash and other offshore mishaps is that in March 1969 the Capital Growth Fund was worth \$63.6 million.

Increasingly tight legislation in Europe, North America and elsewhere has undoubtedly cramped the style of "offshore" fund managers, whose appeal to international investors lay primarily in the low-tax or no-tax status of funds incorporated in such havens as the Bahamas, Curacao,

Liechtenstein and Panama. The fortunes of IOS, Granco and REFA, produced a backlash of repurchases that is forcing the middleweights to retrench.

New Providence Securities also has a Swiss office in Zurich at 26 Muhlebachstrasse and is now operating its computer records centre out of a reduced staff. It has not yet been decided whether or not to close this down, too. "I haven't made a full decision on that," Mr. Wainwright said yesterday. "We are trying to work in with some other funds in a joint operation for the computer. Several funds had shown interest in the project, he added.

This suggests that New Providence Securities—or Capital Growth Securities as it is now known in London—is not the only fund manager looking for a cash bid and may point to more offshore office closures.

## National Savings now rising by £1 million a day

NATIONAL SAVINGS are now rising at a rate of £1 million per day. This is the implication of the June figures which show that total invested in all forms of National Savings had risen by the end of June to £28,872 million, £369 million more than the figure for June 1970.

The strong upward trend in savings throughout the early months of 1971 continued in June in the face of the usual seasonal spate of withdrawals to pay for summer holidays. Net new savings in the month were £8.1 million and accumulated interest

brought this up to a £20 million rise in the savings total for the month. The tax-free Decennial Issue of savings certificates were chiefly responsible, bringing in a net £10.5 million even allowing for repayments of older issues. This relatively high level of savings, coupled with heavy share buyings means that the Chancellor has to boost consumer income significantly tomorrow if he is to achieve much increase in actual consumer spending. However, if he is in a cautious mood he could still argue that the rise in savings is less than the current level of inflation.

## Jersey picks probe chief

BY EDWARD OWEN, Guernsey, Saturday

JERSEY HAS chosen a 44-year-old London company law expert, David St Clair Morgan, to head its new commercial relations department. The new department will include checking on new companies and administering the Protection of Depositors law.

But Morgan's job is envisaged as much more than simply taking the load off other departments. His starting point will be a report commissioned last year from Cooper Brothers, which pointed out that Jersey's existing laws provide a quite inadequate framework to control the activities of financial institutions that between them held over £400 million in local and overseas deposits.

responsibilities that have increasingly strained the existing Government machine as Jersey's financial life has grown in size and complexity. The new department will include checking on new companies and administering the Protection of Depositors law.

Before putting the final touches to the new legislation which will apply throughout the enlarged Community, the Commission plans to consult closely with industry in order to establish acceptable regulation limits. But after that each industrial product and/or process will be carefully scrutinised and monitored and if they are found to be exceeding those limits the firms concerned will be prosecuted.

## Europe draws up pollution law

BY JOHN LAMBERT, Brussels, Saturday

A MASTER PLAN for Community-wide legislation against industrial pollution is due to be approved by the European Commission in Brussels next week. The framework has already been agreed and the object is to bring the European law into effect as soon as possible after Britain and the other three applicant countries join the Market in 1973.

This proposal marks a new step forward in Community law making as up to now, with the exception of the Common Agricultural Policy, the Commission has preferred to operate within the context of national legislation. Britain and the other applicants have not yet been formally con-

sulted about the new measures but there have already been what are described as "discreet and positive" contacts. Unofficially Britain is understood to have welcomed the Commission's initiative.

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## Pergamon Press

Minutes of an extraordinary general shambles and disaster 44-45



GEC: success formula for Britain's best-run big firm 43

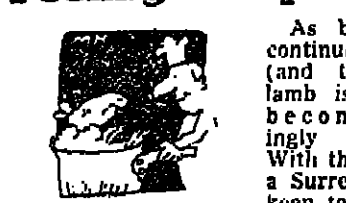
Crisis of the schoolroom dole queue 47

Lure of the blade



market as part of a gramine. Using its experience with aerosols the company went first for an aerosol deodorant, called US to emphasise its unisex appeal, which costs 38p and 49p. And you'll be glad to know that Johnson is giving sympathetic attention to ways of warming it up, so you won't jump so much when you spray it on to warm, after-bath skin. US deodorant is being followed by US herbal bath oil, at 50p, and more products for their way. But you won't see a deodorant for man's stubble, which is theoretically possible. Women may like to get rid of hair with a simple cream, but Johnson's discovered that men actually like the ritual of a razor to start the day. Melting away the stuff would just make them feel sissy.

Feeling sheepish?



As beef prices continue to rise (and they will), lamb is going to become increasingly popular. With this in mind, a Surrey company keen to encourage lamb production to further the sales of its veterinary products has had an enterprising idea. It has imported for sale a splendid Australian book called "101 Ways to Cook a Sheep." The authors, novelist John Hay and his wife Barbara (she provided the recipes and he the syntax) have gathered recipes for lamb and mutton from sheep-eating people as far apart as the Caribbean and Uzbekistan. If anyone should know how

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Edited by BRENDA JONES

to cook a sheep, it's surely the Australians. Available direct for 80p from Alfred Cox Ltd., Edward Road, Coulsdon, Surrey.

Look, no hammer



This new hanging shelf basket from the Prestige Group will be welcomed by everyone who is likely to demolish the wall. It's made of heavy gauge steel wire coated in white plastic and just slides beneath an existing shelf. It would be useful in a kitchen, or garage or bedroom, measures 12in by 9in by 6in and costs 79p. If you can't find it locally, write for stockists to: The Prestige Group Ltd., 14-18 Holborn, London EC1.

Clear sighted

SINCE THE eye is designed to adjust to light intensity, there is usually no need for sunglasses even on bright summer days. But reflected glare, from white sand, pale rock or water, or snow can induce headaches and lead to permanent eye damage. And for protection against these conditions you need polarised sunglasses. Many people are put off polarised glasses by the cost, but there is more than one manufacturer in the field, and if you're not over-fussy about the design, you can find quite cheap ones. Bortex, for example, offer polarised sunglasses in simple tortoiseshell frames for £1 a pair, at chemists, Boots and Littlewoods. They give better protection than tinted glasses, but there is

one snag: polarised glasses may distort your vision if you are driving behind certain types of shatter-proof car windscreen.

More about milk

AFTER LAST week's gloom, better news about powdered baby milk. A number of private chemists have written to say they will not be raising the price of Borden's Eagle Brand milk. Borden's Eagle Brand milk is available at 30p for 16oz. So it's obviously worth shopping around. And Mathercare have promised to hold the price of their powdered baby milk at 22p for 16oz until February 1, 1972. You can get it at any branch of Mathercare or by post from Mathercare Ltd., Cherry Tree Road, Watford WD2 5SH. But best value of all still seems to be National Dried Milk, available at clinics for children up to five years old. That costs only 20p for a 20oz pack.

Improving books

TWO useful new booklets have come out recently. One, called Your Skin and the Body Beautiful, is published by the BMA and is full of sensible, if sometimes devastating, information about skin, hair and nails—that's only for baldness is castration, that a sun-tan is the sign of a damaged skin trying to protect itself. From chemists at 10p or from Family Doctor Publications, 47-51 Chalfont Street, London NW1 1HT at 14p.

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POSTS.1

## Tyndall have the strongest case for investing in equities

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Over the nine years original investors in Tyndall Capital Fund have enjoyed an average compound growth rate of 11.1% a year after tax. This is equivalent to a gross return of 19% from a fixed interest investment. The comparable growth rate for Tyndall Income Fund is 9%, after tax, equivalent to 15% gross. Compare this with the current rate of 5% offered by most building societies, which is equivalent to about 8.1% gross.

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Year of Investment	Tyndall Capital Fund	Tyndall Income Fund	Tyndall Bond Fund
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1963	10.4%	7.5%	6%
1964	10.2%	6.4%	5%
1965	12.4%	7%	6%
1966	11%	5.1%	4%
1967	13%	7%	5%
1968	11.1%	5.1%	4%
1969	5%	4.4%	3%
1970	22%	16%	10%

Note: The growth includes capital gains, net of gains tax paid by the Fund, plus income reinvested, net of tax at the standard rate. The rates are based on offer prices.

of investment and we think this will continue to be true.

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## business news City, investment, money

Starting today—a weekly guide to help you buy a share in Europe

SIEMENS is one of the great and ostensibly highly successful European companies—a proud example of the German economic miracle, whose testicles stretch across virtually every continent and electrical product from heavy power engineering and telephone equipment to computers and domestic appliances.

But British investors should be wary of blindly putting their money into Europe's blue-chip growth companies. While sales have marched ahead at perhaps 15% a year, profits have probably not kept pace. After nine months of its current year Siemens has just forecast another 16% sales jump but profits only slightly up. It is hard to make meaningful profit comparisons because a number of activities have been hived off into joint companies (with Philips in Deutsche Grammophon for example) and the bases of consolidation have changed radically. (Hence although profits appear to have risen sharply last year on consolidation the parent company's net profit fell by 18%.)

What we can be sure of is that the management does not seem to put earnings per share first and



## EUROSHARE

### Siemens AG (Germany)

Price of DM 50 shares: £25; Dividend: 16%; Yield: 3.7%; Earnings per share: 19.9%; Number of employees: 301,000; Year ends September 30.

	Price	Consolidated	Net profit £m	Dividend %
	high	low		
1967	£31 1/2	£19 1/2	18.9	16
1968	£41	£31 1/2	33.2	16
1969	£35 1/2	£30 1/2	29.0	16
1970	£30 1/2	£27 1/2	41.0*	16

\* see text

the dividend has been pegged at 16% for 11 years. Instead the extra profit has been taken up by successive increases in share capital. Now some of these have an element of the scrip issue of shares about them. For instance a one-for-seven issue announced in April was made at £14, well under half the market price. But however you calculate it, the

returns to shareholders have been pretty stagnant.

Once the management under chief executive Dr Gerd Tacke becomes more conscious of public shareholders this could change, because its performance at an operating level has the envy of many. The group has, for instance, developed its power engineering side (81% of sales)

to vie with the American giant in worldwide export markets is a world leader in telecommunications equipment (21% sales). In these markets it is much stronger than the inevitable comparison GEC.

Like GEC, it can be ruthless acting quickly on unworkable realities. Unprofitable product lines are chopped. Now, scious of the rapid rise in German wages and the effects of inflation on export prices, the group is cutting back at home expanding production over. But Siemens is still much geared to the idea of "everything" electrical than new GEC and as a result a net return on sales is now above Siemens. On the face it Siemens' shares look cheap than GEC's. The yield is: against 3.7%, and if you correct for inflation, the cover is about the same. There must be some hopes higher dividend payment year, to celebrate the 125th birthday. But even so, with the cost of a dollar premium still offsetting the high price, investors do not feel deprived without Euroshare.

## New grafts on Lloyd's family tree

ENGINEERING SHARES such as F H Lloyd are generally left to specialist professional investors. They can pick their way through the minefield of a cyclical or declining heavy industry, poor labour relations and low productivity and profits caught between low margins and spectacular bankruptcies like Rolls-Royce.

The extent to which the little-known steel-founder of Wednesbury in the heart of the Midlands has circumvented these problems, is not widely appreciated. Institutions in the know, however, have been tucking away the shares, which explains why Lloyd shares have come up some 17p in a matter of weeks to stand at a 1971 high of 85p. Lloyd still has its attractions at this price, and individual investors should find plenty to go for in a reasonably safe yield of 7.7%.

The profit record highlights F. H. Lloyd's success in getting on top of some pretty severe problems in its main industrial markets. After a disastrous collapse in profit margins in 1965 and 1966 F. H. Lloyd has been getting away from its dependence on the static foundry business. In consequence earnings per share have gone up a creditable 50% in the past five years. Last year pre-tax profits should have reached the £2 million mark, but the impact of Rolls-Royce's collapse held back the actual result to only a tiny advance on the £1.8 million made the previous year. But this time the £2 million-plus profit target should be reasonably safe and with it the dividend prospects.

Last year the group had to contend with a recession hitting the steel foundry business yet managed a profit rise. This was even more surprising because F. H. Lloyd supplies 30% of the UK market, has the largest steel foundry in Europe, and £1.8 million, or 57% of trading profit, still came from castings last year. The fact that this profit was only slightly lower than the previous year was an equally creditable performance. Lloyd dominates production of large castings.

Michael Lloyd, who took over from his brother as chairman and chief executive last September, admits that economics are moving against really large castings, to fabrication instead. While at the smaller castings level competition is very much fiercer for a declining tonnage of components for motor cars, commercial vehicles and heavy equipment (F. H. Lloyd's most important



Michael Lloyd: mergers on the way?

market). The only founding market which is showing reasonable growth is the special hard-wearing SG iron castings and centrifugally cast tubes where BSC with 30% of the market competes with Lloyd. F. H. Lloyd's specialisation and heavy reinvestment in special machining and testing equipment has protected it somewhat from the sector's decline, and from inflation where labour accounts for up to 40% of costs, according to research by brokers Powell Daves. Prices have been raised four times in the past 18 months.

At least one diversification move, buying the quarry machinery division of Armstrong Whitworth which has been moved down to a revamped subsidiary in Pontypridd, South Wales, has also increased the load on the foundries. Continuing reinvestment, of the order of £1 million a year on a present capital employed of about £19 million, has enabled the group to build up into profitability its non-foundry interests in time to cope with the fall-off in the steel castings. Steel forging of small components has been an unprofitable sideline for years, but the loss makers have been eliminated and the remaining company turned round into profits last year.

Lloyd's engineering companies are currently building on a long established marine business making things like anchor chain, and recently the loss-making Old Park Co. fabrication business was acquired from Tube Investments. This should be making profits this year. Examples of the specialisation Lloyd has built up is a nice business supplying auxiliary stand-by boilers for ships, a steady stream of which are exported to Japan. But the most important diversification in profit terms has been in steel re-rolling where the John Bagnall subsidiary increased its profits 50% last year to £600,000. Re-rolling where the John Bagnall largely to BSC pricing policy, but Lloyd has modernised—with a large new re-rolling plant due on stream in 18 months time.

Michael Lloyd came in to the family company after 25 years heading a special steel tubes business for Tube Investments. The Lloyds are a widespread family having such institutions as Lloyds Bank and the old Stewarts and Lloyds steel works as part of the family tree. What happens to F. H. Lloyd now is the subject of a deep study which would have been totally out of place in old F.H.'s family dining room. On the board is Professor

Roland Smith of the Manchester School of Business Studies, a recent course have done a deal for F. H. Lloyd Co's estate and as a result a professor and his students made a great deal of us F. H. Lloyd as case material. The upshot of thorough-going review company's strategy.

So far as I have been able to find out the highly secret includes at some stage this refinancing the tight liquidation. The high rate of interest has left overdrafts high and while finance controller Dennis Carrier tells there is no strain needing relief I think Lloyd would be a little more comfortable its friendly family manager. The plan then indicates that F. H. Lloyd needs to another, but bigger take-over it is to grow quickly from present £35 million to £100 million. From what Michael Lloyd told me earlier I think it to guess that this would Lloyd much further engineering fabrication, possibly an even more contingency could arise from sider interest in the group. could involve foundry, petitors like Weir Group or Wrightson, or even more the similarly-sized steel-engineering George Cohen 600 Grou Casting may be being rein importance but the group has the problem of what str. to adopt to the sale of the steel foundry activity, acting for some 7% of the m. Lloyd's apparent lack of int could change if a compe were likely to pick them u. All the European four including the British exchanged cost data for year it is apparent that we are at the most efficient. This is due to the advantage we at the moment in the steel (which is remodelled by founders as raw material) is at an artificially low price by and expected to rocket whe enter the EEC. Despite the rent 30% wage claim MI Lloyd thinks that we are ket our advantages on going it market demanding a much range of cast components and the direct export sales from our U.K. factories whi together account for approximately 44% of the grou trading profit.

James Po

## CHUBB

Year to 31st March 1971.

### Results

The spread of Chubb security in both the crime and fire fields has enabled the Company to repeat the record profit figures of last year, with Group profit after tax of £2,214,000 as compared with £1,934,000.

The Directors are recommending a final dividend of 13% making a total of 17% against 15% last year.

### Trading

There has been a considerable enlargement of our stake in Europe with the acquisition in February 1971 of the Dutch company, Lips & Gispem. As this company was acquired very near to the end of our financial year no profits have been included in the Chubb accounts.

The U.K. based companies produced some very good results with overall profits considerably in excess of those for last year. Total Group profits have, however, been affected by a variety of adverse circumstances in our overseas companies which, with the exception of Canada, did not achieve our expectations.

### Prospects

At a time when the criminal statistics and those relating to fire hazards show substantial increases, we are budgeting for greater turnover and profits for the current year.

### Salient points from the Accounts

Year to 31st March	1971	1970
	£000	£000
Turnover	47,205	41,494
Group Profit before Tax	3,834	3,803
Taxation	1,517	1,764
Group Net Profit after Taxation	2,214	1,934
Ordinary dividends for the year	1,149	1,011
	(17%)	(15%)

Copies of the Report and Accounts can be obtained from the Secretary:  
Chubb & Son Limited, 14/22 Tottenham Street, London W1P 0AA  
Telephone: 01-637 2377

## THOMAS LOCKER (HOLDINGS) LIMITED

### ALL-TIME RECORD RESULTS

The following is a summary of the Statement of Mr. J. R. Locker Chairman of Thomas Locker (Holdings) Ltd., for the year end 31st March, 1971.

★ It is with pleasure that I report a record year for the Company. The total profit was £982,450, an increase 15% over last year. A final dividend of 12.25% is recommended, making 16% for the year (14% last year).

★ The increases both in turnover and profit are a reflection of every major activity within our group of companies showing significant advances over the previous year. This is particularly so with regard to the overseas company and the direct export sales from our U.K. factories which together account for approximately 44% of the group trading profit.

★ Locker Industries Ltd., our principal operating subsidiary producing record results. Additional product lines were introduced during the year in both the Engineering and Filtration Divisions.

★ Following a successful rationalisation programme, Associated Perforators & Weavers Ltd. (36% interest) paid a 38% increase in gross dividend and this has been an important factor in our advance in overall profit. George Baker Ltd. experienced a difficult year but steps have been taken to ensure that the current year and the future will show favourable returns.

★ The Australian group had another good year and our investment has even greater prospects for the future. Our South African company made a good profit and the outlook for the current year is encouraging.

★ Thomas Locker S.A., our Belgian subsidiary, increased their turnover by 27%, but returned a similar profit to the previous year. This was due to a deliberate policy of expansion of the selling organisation necessitating new and larger premises. The current order book is 50% higher than at this time last year.

★ Present conditions in the United Kingdom make the future difficult to anticipate, but on a base of high percentage overseas investment and increased exports to world markets the structure of our company, I believe, is sufficiently flexible to ride the normal vicissitudes of national restraint with buoyancy which, coupled with the satisfactory state of our order books, gives me reasonable confidence that our company should produce another good result this year.



# Laughing most of the way to the bank

SHARES are still a cruel bet to lead a buoyant market. With expansion a way that may not sound ending but it surprises me. I cried alone in the wilder- hat the giant clearing banks cheap 18 months ago, they came up around 80%. Since then, merchant banks in they have rocketed up by a They are not going to do again in a hurry. But two last week will help.

It came Barclays with a rise in earnings for the year against all the odds. Its rates were falling and banks were apparently find- quite hard to lend money, are however, as I have noted, getting better at g profits and the impending es to free competition will up them. I do not expect the other clearing banks as well as Barclays to do But then with price earn- ratios averaging under 12 a market average of 18 they do not have a second shock came when insurance broking business. A convincing demonstration of faith in the future of the merchant bank. They bid share for Singer & Fried- which was 55p ahead of market price, already half ex- a take-over.

The secret is that Singer has come clean on its true figures. They show profits up 50% on the formally "disclosed" figure at £1.3 million on true assets of £10 million against £0.7 million in the balance sheet. So Bowring is paying 19 times true earnings. Singer earns 1.5% on total funds employed compared with 1.3% for Lazard's and 1.0% for Leopold Joseph which both temporarily gave true figures for prospectus purposes.

So we have two ways of esti- mating for the other banks where the figures remain hidden. Allowing for the earnings dis- count Hill Samuel would be sell- ing at 15 times 1970 earnings, but on an average rate of return of funds they should be very much cheaper. Montagu Trust is probably selling around 17.5 times earnings, not excessive for a company that has shown a 15% growth rate in earnings per share. And even after a spectacular rise to 182p, Warburg parent Mercury Securities is selling at under 18 times 1968-70 earnings.

But the underlying differences between merchant banks are going to be much sharper in the new world of competition opened up by the Bank of England (on deposits) and entry into Europe (on services). Significantly, Philip Scholebourne, the clever merchant banker who sits on Bowring's board, steered Bowring away from its original quarry

Brown Shipley, which is more of a pure UK banking operation. Singer is strong in company finance, investment management and has specialised successfully in short-term Euro-dollar money markets. The Bank of England's dictates hit deposit merchant banking by introducing competi- tion from the clearers and ex- tending more onerous reserve ratios. They favour the service specialists. And Tuesday's report on the City and the EEC from the Committee on Invisible Ex- ports will show that fee earners and international money special- ists in London should come off best from entry. If Singer looks not be able to afford another troubled funds acquisition before getting the last lot right first. Yet although the shares are above Cavenham's offer terms, share- holders should be ready to accept if no other contender appears.

Then there has been the strange affair of the Rowntree pension trust fund which quietly bought itself some time ago and is possibly hoping to force a head- off offer. Again, Rowntree is keeping mum but privately is say- ing that the acquisition is a funi, not a company matter. That leaves Imperial Tobacco, the Golden Wonder foods group (member Bovril favoured crisp). Imps is not ruled out but might not be able to afford another troubled funds acquisition before getting the last lot right first. Yet although the shares are above Cavenham's offer terms, share- holders should be ready to accept if no other contender appears.

## Beefed-up bid

THE BOVRIL bid launched by Cavenham foods over three weeks ago is far from home and dry. The best in its favour is that no real sniff of a counter-bidder has appeared. But "I would be the last person to know of a counter- bid" was Jimmy Goldsmith's plaintive complaint last week as the full terms of the offer were

## Burnholme's quote

BEST NEWS for Burnholme and Forster shareholders is that revaluation of their shares is at least a reasonable certainty if they go along with the reconstruc- tion proposed by the new directors at next Friday's meet- ing. Without passing any judg- ment about the desirability or otherwise of what has happened shareholders have little practical

alternative but to vote for the resolutions, as we pointed out last week. Dealings would then restart the following Wednesday.

Under Tim Holland and his associated new directors, B & F will retain only a shell of its former transport interests. Share- holders will thus have some difficulty at first in placing a value on the residual interests and on the new companies being injected by the new directors.

On profits grounds it is pos- sible to be reasonably specific for the year ending August 31 next. Profits of £120,000 are fore- cast, after management expenses have been met from sales of some subsidiaries to the old directors. This would provide earnings per share of 1.7p, and that is expected to double next year. This compares with earnings per share of 3.6p, for the last full year under the old board. After that the transport business started to go wrong—20% down by the half-way stage in February.

Each shareholder has to make a decision whether he will stay with this new management team. The Premise and Keland acqui- sitions may have some speculative appeal. Keland in particular claims a unique supply agreement for a new important telephone component. But the risks are high. The shares could well fall initially below 17p, a P/E rating

## Tangled Woolies

THE DEPRESSING thing about Woolworth's half-time results is not so much the £1.8 million fall in profit to £11.9 million—this was bound to happen in the battle to rejuvenate the overweight giant—but that after two years of battle we have not yet seen the end of the beginning. The idea was to get sales moving again, then bring margins back up and get profits growing. Instead, sales rose by only £1 million. GUS did better than that even when its mail order business was paralysed by the postal strike—and its profits went up. Woolworth is doing a lot of the right things.

Perhaps it is doing too many marketing things at the same time without knowing exactly where its image or its middle management will end up. With Woolworth's US parent firmly in control, there is not much to be done as the group's exceedingly accu- rate critic Walter Shaw found. Time may offer reward, but even at 75p, where the PE is just over 14, there are probably quicker ways of making money.

## Time to buy...

### Lec Refrigeration

Buying price: 561p; 1971 high: 581p low: 31; yield: 5.9%; P/E ratio: 12.1; latest profit: £276,418.

### Hoover

Buying price: 435p; 1971 high: 435p low: 253p; yield: 2.9%; P/E ratio: 16.8; latest profit: £8,336,000.

TOMORROW'S mini-Budget must provide a boost both to consumer spending and industrial invest- ment if it is to satisfy the CBI—and the stock market. But most share prices already discount the effects. It is salutary to note that The Times Industrial Index, probably the best indicator of the general level of stock prices, is within 2% of its dizzy peak of January 1969. Shares were then too high and while factors like tax, have changed radically for the better, the business outlook is still not all roses.

One area that has still to re- flect its share price promise is domestic appliances. These were booked for a good year in 1971 and it certainly started well. Sales have been sluggish in the past few weeks, but it is quite reason- able to blame this on widespread expectations of price cuts rather than recession. For that reason I would certainly not at this stage be selling shares of retailer Currys, the successful Time to Buy feature that dipped back

early last week on the subsidence of somewhat irrelevant bid hopes. I also like two manufacturers: giant Hoover and the potentially more profitable but more risky Lec Refrigeration. In the longer term neither looks particularly vulnerable to EEC entry.

The better buy just now is Lec. It has a steady business through electricity salesrooms, a price advantage over its competi- tors, and in the first five months of this year, sales soared ahead 18.8% to £2.9 million. Selling fridges is cyclical business, and Lec's 1970 profit was down £39,000 on the previous year. That, coupled with Lec's relative smallness—market capitalisation is £2.23 million—accounts for the good yield and the slack P/E ratio. If Barber adds fuel to the bright sales record this year, Lec is solidly set to outperform its rivals.

In the bigger league, Hoover managed a spectacular sales hike in the first three months of this year, from £13.8 million to £18.5 million. True, last year's figure was depressed by production losses during strikes at Merthyr Tydfil. But this year's figures were hardly helped by the postal strike which made dealings with smaller retailers difficult. Profits, too, rose sharply, and improved home demand should be reflected in better earnings. Despite the bulging of enthusiastic brokers, Hoover is far from its peak.

## Timber company topples after boardroom storm

U HOLD shares in Stephen- developments, the Hudders- field buildings and holiday firm, you have until Tues- day to decide whether you want e all your money—or only of it. The Austin-Hall bid, r-minded by First National ce director Terry Marr, Stephenson's ordinary at 185p, against a market of 2p. But back in 1968, the bullish brokers predicted untial growth for Stephen- shares sold at 20p, valuing m at £1.27 million.

bid is inevitable, if share- s are to recover anything the disaster area which enson has become. Chair- Kenneth Scott, of Stephen- arne. "We could certainly on—but only if we were ncermed with the possibility recall of any debt." Since H-Hall has nearly bought almost £500,000 worth of onson debts from United ion Trust, the largest single or, a failed bid could mean iden demand—half-a- n. Stephenson, already well 1 million in the red, has no of raising that.

tin-Hall has irrevocable ances for 22% of the and should win. What olders ought to ask is how dily-quoted company with e of good products can turn kly from a £180,000 profit 7-88 to a thumping £205,000 loss in 1970, and find itself on rge of insolvency. The t of the answer lies in g conditions—harsh credit ions limited sales of nson's timber hubs. Just uch Stephenson lost on wood buildings and made ring them is hidden by a sheet quick-turnover for the two activities are, profits consolidated. key to the problems was eliance on short-term

Michael Pye

## MARKETMETER

Bidder	Bid price values to at 5m	Price now per share
Cavenham	£9.7	310p
Vision Ent.	£9.25	55p
Trafalgar	£26.	194p
Utd. Drapery	£10.5	210p
S. Pearson	£37.15	371p
Friedlander	£25	228p
Watneys	£44.0	402p
Grand Met.	£44.0	404p

ARES soared last week as on Market hopes, prospects redationaly package and ever carried all be- them. The Times index d an enormous 9.58 points week to 188.64. The chart biggest outstanding bids reminder of the frenzied t action as £160 million of nies change hands. Where d offers alternative pack- ve have listed the lowest Most welcome of the week Dr Daniel McDonald's cash offer for 50-60% of The existing management Eric Turner is intelligent, aware but unsuccessful and be ripe for a change. But like both board and bidder, the accountants' report. e is also no hurry to do g on Cunard. Silence from ard has already brought a bid, but in the end there excuse for retaining inde- ce. At Trumans share- s should again wait as Metropolitan (7% plus support from Whitbread) atney (about 26% but un- buy up shares. Do not sell the market price gets near

ST NATIONAL FINANCE IATION is, I gather, now any stage of negotiations he residual Spey Invest- legacies with a view to ing most of the pension private empire—an inter- ambition. Meanwhile, hav- ight 45% of the now inapty Direct Spanish Telegraph ny from Cable and Wire- is bidding for the rest. quisition may well be used d up Scottish International ent Trust, which, as I last week, should attract ation of investors as it First National.

# Now at £55,000,000, the Abbey Property Bond Fund is bigger than all the others put together. That's why we can give you a stake in the best properties around.

Property Bonds have now become a fully accepted and successful method of investment. None more so than Abbey Property Bonds.

So much so that, at the time of writing our fund stands at more than £55,000,000.

With this behind us we can purchase, on favourable terms, large individual properties costing millions of pounds each. (As illustrated by 40-53 Bedford Square, W.C.1, shown below, which is valued at over £3,000,000.)

Most other funds just cannot afford such large transactions.

Obviously, investment on such a scale brings rewards on the same scale, both in growth and security.

In the last 12 months alone, Abbey Property Bonds rose in value by 10.5% (including the reinvested rental income net of tax). To achieve the same result a standard rate tax-payer would have required a gross income of 14.8% on his money.

In the same 12 months, investors continued to place an average of £2 million with us each month.

Which should enable us to move on to even bigger and better things.

## Security

The Abbey Property Bond Fund is the biggest and most successful in Britain. We have 26,000 policy holders with an investment of over £55 million.

Abbey Life itself, one of Britain's best known Life Assurance Companies, with assets exceeding £120 million, is a member of the £2,400 million ITT Group.

## Built-in Life Assurance

As long as you hold Abbey Property Bonds, which are single premium life assurance policies, your life is assured automatically, at no extra cost.

In the event of your death the amount payable to your family will be either the current value of your Bonds, or, the amount shown on the life cover table on the application form—whichever is the greater.

Naturally, if you've withdrawn money from the Fund, the amount of life cover will be correspondingly less.

## 6% p.a. Tax Free

Provided you make a single invest- ment of not less than £1,000 you may, if you wish, withdraw up to 6% of the value of your Bond each year—entirely free

## from Income Tax and Capital Gains Tax.

Provided total annual appreciation is not less than 6½%, your Bond would retain its original value (calculated at the offered price of the Units).

The annualised growth rate achieved has in fact exceeded 6½% since the Bonds were introduced.

## Income Tax & Capital Gains Tax

With Abbey Property Bonds you have no personal liability to Income Tax or Capital Gains Tax either while you hold them or when you cash them. The Company is liable to income tax on the rental income, at the special Life Assur- ance Company rate—currently 37.5%.

The Company also has the right to make deductions to cover its own Capital Gains Tax liabilities, but this is not adjusted for in the Unit price. In present circumstances, it intends to limit this deduction to two-thirds the normal rate.

## Surtax

Surtax payers are liable to surtax (or higher rate tax after 1973) when they cash in or on death, depending on their surtax situation at the time of cashing in. There are a number of provisos which enable a surtax payer to reduce, and possibly eliminate, the liability and very high surtax payers should contact Abbey Life for precise details.

## Investment Policy

The Abbey Property Bond Fund is managed by the Property Division of Hambros Bank.

It's invested in top industrial and commercial properties with really sound tenants. To name but a few—National Westminster Bank, Esso Chemicals, The Post Office, W. H. Smith, American Express, IPC and Boots.

Because the value of some types of properties were lower during 1970, some particularly attractive purchases with very good long-term growth prospects were made.

The Fund also buys sites and constructs its own buildings in conjunction with approved developers. Naturally, this is only undertaken with letting of the completed properties guaranteed in advance.

Up to 25% of the Fund can be applied in this way.

## Regular Valuations

Once a month a valuation of the

Fund's properties is carried out by the Fund Managers.

These valuations are then confirmed by Richard Ellis and Son, Chartered Surveyors.

Unit prices are published daily in leading national newspapers.

## Low Charges

To pay for life cover and manage- ment expenses, Abbey Life charges 5%—which is included in the offer price. Plus a small rounding-off price adjustment.

After that charges total only three-eighths per cent a year.

All expenses of managing, maintain- ing, and valuing the properties as well as the cost of buying and selling the Fund's investments, are met by the Fund itself.

## Cashing in Your Bonds

You can normally cash in your Bonds at any time and receive the full bid value of the Units, subject only to any adjust- ment for Capital Gains Tax, as described earlier.

In exceptional circumstances the Company retains the right to defer pay- ment for up to six months pending realisation of properties.

However, the Company maintains adequate liquid resources, similar to that of building societies, so in normal circumstances there should be no delay in cashing in.

## Disclosure of Information

As a Bondholder, you'll receive our Annual Report with full details of the entire Portfolio.

This includes photographs of the properties. And full financial information to let you see exactly how your money is invested.

As a new Bondholder you'll receive a current Annual Report with your Bonds.

## How to Invest

Fill in and post off the completed application form, together with your cheque.

As soon as it's accepted, you receive your Bonds which show the number of Units you've been allocated in the Abbey Property Bond Fund.

# Abbey Property Bonds

With so much behind us, it's no wonder we're ahead.

To: Abbey Life Assurance Company Limited, Abbey Life House, 1-3 St. Paul's Churchyard, London, EC4M 8AR Tel: 01-248 9111

I wish to invest £\_\_\_\_\_ in Abbey Property Bonds (any amount from £100) and I enclose a cheque for this amount payable to Abbey Life Assurance Company Limited.

Surname (Mr./Mrs./Miss) \_\_\_\_\_

Full First Names \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_ Date of Birth \_\_\_\_\_

Are you in good physical and mental health and free from the effects of any previous illness or accident?

If not, please give details \_\_\_\_\_

Do you already hold Abbey Property Bonds or Abbey Equity Bonds or another Abbey Life Policy?

Tick her for 6% Withdrawal Plan (minimum single investment £1,000) ☐

★ Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.17. Offer closes on Tuesday August 3 which is valuation day.

Signature \_\_\_\_\_

Date \_\_\_\_\_ PB | STBN | SUN | 1 | 0

Age when buying Abbey Property Bonds Life Cover per £100 invested

Under 30	£250
30-34	£220
35-39	£190
40-44	£160
45-49	£135
50-54	£120
55-59	£110
60-64	£105
65-80	£100

Commission of 12% will be paid on any Application bearing the stamp of a Bank, Insurance Broker, Stockbroker, Accountant or Solicitor. This stamp must be countersigned by the Company's authorised agent. The application and life cover comes into force only upon acceptance by the Company, and the life cover may be restricted.

40-53 Bedford Square, W.C.1, one of eight major properties in the Abbey Property Bond Fund with an aggregate value of £23,000,000.





# Now you see them, now you don't— it's the company quick-change act

EVERY YEAR thousands of new companies are formed in Great Britain and thousands more are struck off the official register for reasons ranging from actual bankruptcy to statutory idleness. Even the Department of Trade and Industry finds it hard to keep up to date, though its 1969 figures list 25,154 companies formed and 23,637 struck off. But many of these 25,154 newcomers were only "new" in a legal sense, being essentially substitutes for others struck off. By working new companies with old business names or vice versa, many businessmen have developed a kind of perpetual motion machine that enables them to shrug off debts more or less at will.

To show how this cheap, but costly system works and why it should be controlled, here are three specific examples:

The first concerns Vendaid Ltd., a West Bromwich vending machine concern set up in 1968 and 86, controlled by a Mr and Mrs Geoffrey Gough. (Its nominal capital has been increased from £1,000 to £11,000, but the actual paid-up capital has remained at a modest £100.) Conal Robertson of Bellington, Northumberland, supplied Vendaid with £4,075 worth of vending machines on a "cash against

invoice" basis on September 3 last. It did not get its cash, despite several reminders. On October 22, Gough was contacted by telephone and confirmed that National Provincial Bank had put in a Receiver on September 30.

In the circumstances, Conal Robertson's managing director, Alan Robertson, was surprised to receive a letter from Geoffrey Gough of Vendaid at the end of November that began reassuringly: "As you are probably aware, this company has been in some difficulties due to various internal problems. To overcome these, a new company will shortly take over the activities of Vendaid Ltd. Vendaid Ltd. will continue to operate from Oldbury Road, West Bromwich, with the same staff. . . . A programme of National Advertising will commence shortly and of course we will be exhibiting at Vending '71 in January."

Alan Robertson was less than totally reassured by this massive, particularly when Receiver Ronald Bendall downgraded his estimate of his likely debt repayment from 50p in the £1 to a nominal sum. Robertson then took the matter up with his MP, Edward Milne. Milne passed it on to Nicholas Ridley, MP, at the Department of Trade and Industry, who replied (perfectly correctly) on June 14: "The documents appear to emanate from Vendaid Ltd. under the registered trade name of Vendaid. Prima facie there is nothing unlawful about this, even though the business name may resemble that of another company in respect of which a Receiver has been appointed."

Ridley was, in fact, rather more precise than Gough over the new company's name, for the VTI had apparently balked at registering Vendaid (Solegate) when there were already three associated companies, Vendaid Supplies, Vendaid Automatic Caterers and Vendaid Engineering in existence. The Receiver had several inquiries when he first attempted to sell Vendaid Ltd. as a going concern. Everyone backed off except Gough and his colleagues who, in return for "covering" National Provincial's £13,750 debt, were thus able to shuck off the other debts of the old company and preserve their jobs.

A rather more complex story lies behind Marksman Associates of Windsor, which advertised on June 13: "The restructuring of our Practice into a Partnership offers the unusual opportunity to accept two or three new partners. Successful applicants will probably be in their forties, accustomed to earning £4,000 per annum plus." As the would-be partners learned at their interviews, they would also have to inject £2,000 cash into the business and (in addition to a basic

salary) would receive 10%, or 20% commission on their billings. To assert that Marksman Associates was being "restructured" was something of an understatement. What had actually happened was this: Ivan Williams was running a £100 company called Management (Audit) Ltd., no connection with the similarly named Independent Management Audits in 80-40 partnership with one Richard Sambrook.

To enable Management (Audit) to exploit its own "venture capital" situations, two new companies were established. In October 1969, Management (Audit) Investments was set up: it had a capital of £111,250 with Management (Audit) holding all but two of the 5,000 £1 A shares. Then Bank House Industrial Finance, taking its name from the Old Bank House in Windsor, was established as a loan company in February 1970 with a capital of £5,000. Unfortunately, these brainchildren soon swallowed up their own capital and their parent, On April Fool's Day this year, Management (Audit) was wound up on the petition of a Mr Colin Denham-Davis, and Bank House went into voluntary liquidation. On April 26, Management (Audit) Investments followed suit.

Eight days after Management (Audit) had been petitioned out of existence, however, Ivan Williams registered Marksman Associates as a business name, under the aegis of a "private" consultancy he owned 60-40 with Harry Reiss called Market Protection Ltd. Subsequently, on June 4, a new company, Marksman Management Consultants, has been registered with most of the capital due to be subscribed to Marksman Management Consultants Ltd. yet. But Trevor Garbett, another new Marksman, explains that the idea is to transform the business name Marksman Associates (soon to be attached to MHC and not Market Protection) into a kind of partnership, and that the £2,000 stake monies will be, so-to-speak, investments in this partnership. "It's absolutely straight and honest," he asserts. "The notion of investing in a business name currently being shuffled between two associated limited companies is, to put it mildly, somewhat unorthodox."

Magic Larder is another extraordinarily resilient operation. Canadian entrepreneur David Kaplan, after an unfortunate experience with his Stirling Moss Paints-Car and Protecta-Car franchise schemes, launched the Magic Larder Plan home freezer business towards the end of 1969 under the corporate mantle of Dominion Provisioners Ltd. and

Dominion Foods Ltd. Marketing was handled by Glenn MacMahon via International Salesmasters, otherwise known as Anglo-Canadian Steelwares Ltd. Finance was provided by Bremus Finance, an associate of the encyclopaedia-publishing Grolier Society.

Housewives were persuaded to pay up to £220 cash or more than £300 by instalments for 280 freezers as part of freezer-and-food package claimed to cut their food bills by as much as 33%. Kaplan ran up a turnover of around £1½ million a year, then Dominion Provisioners and Dominion Foods crashed (as reported exclusively in Business News on April 4) with an estimated creditors' deficiency of some £370,000. Hawbrook Investment Co., run by Anthony Goldstone and David Harrison, offered to buy out DP creditors for 17½p in the £1 and DP creditors for 22½p. It was turned down.

Apart from hurting creditors (latest reports suggest that the final deficiency could be well over £400,000), this Kaplan crash had two repercussions. First, householders began to receive similar "package deal" propositions from ABC Foods—described as a division of the Grolier Society. Second, another new outfit started promoting the Kitchen Queen Food Plan from London creditors at 32 Crawford Street, London. And Kitchen Queen turns out, oddly enough, to have connections with none other than (don't tell me you've guessed already) David Kaplan.

Located by a representative of a Dominion Provisioners' creditor at the Crawford Street premises, Kaplan insisted that he was not a director of Kitchen Queen, but just a "consultant." This may well be the case, for Kitchen Queen has no official directors. It is simply a brand new (May 5) business name attached to a previously dormant concern, Magic Larder Ltd., a £100 company registered back in July 1969 with a paid-up capital of just £2. No return of directors has been lodged for Magic Larder Ltd. either, and the Registrar has threatened to have it struck off.

Such situations, where company operators can cut their losses, fork out £26 or so for a new company and come back smiling with little or no indication of their previous collapse, cannot be allowed to continue. At the very least, the Department of Trade and Industry should enforce the present rules to ensure that "anonymous" £2 outfits are not allowed to trade. But to alert too-trusting suppliers and customers, companies that re-form after a crash must substantially the same management should legally be obliged to trade as ABC (Successors) or XYZ (1971) to give some indication of past form.

Richard Milner



Yoneo Watanabe, getting a little more for the brown ones

## Cracking the egg market

By GRAHAM ROSE

THE LAST place you might expect to find a Cambridge I.A. (with an MBE, too), is selling eggs from a stall in Broadgate Market at Tooting, South London. Yet Yoneo Watanabe, once one of the best poultry breeders in the world, has started a new business at 60 to prove that small-scale egg production can still be profitable. At a time when poultrymen are going out of business at the rate of 6,000 a year, that is quite a test.

Watanabe began in the poultry business when he left Magdalen College in 1922 and fancied an outdoor life. He was taken on as a paying pupil on a poultry farm in Sussex, learnt fast, and had a farm of his own within two years. As a breeder he became internationally successful,

but was hit by the computer revolution in the 1960s which made breeding no longer a matter of experience, but a science involving millions of genetic calculations only a computer could handle. Unable to afford a computer, Watanabe decided to abandon breeding and go in for egg production.

The ferocity of the battle for the egg market being waged by the giant producers is shown by the fact that despite a 15% rise in the cost of poultry food over the past year, the price of eggs has not changed. But Watanabe decided to prove that there is still a place for the small man. He has concentrated on three factors: a 6,000 hen unit in the best modern housing available,

"big enough to provide many of the advantages of scale, but small enough to be run by a few people paying attention to all aspects of the business"; a specialist product, the brown egg, which housewives will pay more for; and the development of a really effective retail market.

To bypass the wholesalers, who handle most eggs and take a share of the profit, Watanabe has set up a small, but prominent stall in Broadgate Market.

"At least 50,000 people pass through the market every week," he points out, "and they buy just about all the eggs we produce." The result is that Watanabe nets 6p per dozen more for his eggs than the average producer. And offers a lesson that could be of great significance in the egg war.

## French hold on to low taxes

By MALCOLM CRAWFORD

THE ATTEMPT by France to introduce Pay As You Earn, as part of its current long-term programme of tax reform, has failed. So Giscard d'Estaing's Ministry of Finance, attempting to salvage something from the wreckage, is introducing a voluntary tax-deduction scheme, to operate through French banks.

The PAYE scheme was opposed both by unions and employers' organisations, on various grounds. But these boiled down mainly to the fear that once a system of easy payments was put in operation, the tax load might be gradu-

ally increased to levels much higher than it is now. At present, Frenchmen pay a lower proportion of their incomes in direct personal taxation than do people in any of the other countries of the projected 10-member European Common Market, except for Iceland—who also lack PAYE.

The scheme for voluntary deductions would permit taxpayers to have tax deducted at source, and paid by standing order into a Government account at a bank. This is meant to appeal to people, as a way of spreading their tax

payments, so they are not confronted with a big tax bill all at once.

The Frenchman, eager to pay tax regularly, cannot do this now because there is no administrative set-up for determining how much should be paid each month. A system for notifying provisionally assessments is being worked out, which will enable pay offices to know how much to deduct from the pay of anyone who wants his tax remitted with each wage or salary payment.

No stampede of applications is understood to be officially expected.

## British Steel and Europe

Letter to the Editor

RECENTLY I wrote an article for The Guardian on the implications for the British Steel Corporation of membership of European Coal and Steel Community. In The Sunday Times, July 4, Mr Peter Wisler wrote as if it turned out, quite false, that Europe would only accept the UK if the British Steel Corporation was cut in half. Mr. Wisler cannot have written anything so not accurate. In it I summed up the current situation as follows: "ECSC would be content to present with an indefinite postponement of BSC expansion, a continuation of the plan closure of older plants."

Mr. Wisler bracketed article with other writings on the subject in The Guardian. The Spectator described it as an entire series of warnings and hidden pit which was rubbish from beginning to end.

I suspect that Mr. Wisler taken at face value the der of the Prime Minister of the British Government. If he has been misled by them, others may have been equally misled. It is there more than time that the t. behind the claims and counter-claims was established.

On December 16th, 1970, EEC Commission produced report on the implications of ECSC of the admission of the UK and the National Coal Board's jurisdiction, and in particular the special implications which would arise from the size of the BSC's output. The report is the complex supporting documents must be made available to the British public.

The Commission passed report to the EEC Council Ministers. The British Government received copies. The Commission did not consider it particularly confidential at that time as it is in some detail in the P. There are precedents for circulation of EEC documents to national legislatures and in present circumstances the Commission would be unlikely refuse permission for the circulation to the House of Commons this particular report if requested by the British Government.

Kennedy Ling

Great Missenden, Bucks

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See Page 37 of

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For all appointments the primary need is for people with several years high quality appropriate experience. However, outstanding younger candidates will also be considered.

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Write in confidence to: W. M. Curtis,

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\* Source NRS June 1969-July 1970.

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Electrosil Limited, a British-American Company, is now seeking a Commercial Leader, who will report to the Managing Director.

He will be a graduate, around 35 years of age, with a considerable knowledge and experience of marketing techniques and of accepted modern management practices.

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His challenge will be to give marketing leadership to an electronic component manufacturer, which expects to become quickly involved in the new European framework.

His rewards will be extensive. In addition he can expect multi-national opportunities and the pleasures of working with a young and vigorous team.

He should write now, to the Managing Director, Electrosil Ltd., Pallion, Sunderland, Co. Durham, giving a one-page summary of his career to date. He will receive an immediate reply.

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## SENIOR OVERSEAS SALES REPRESENTATIVE

Our Company, which employs approximately 1,400 personnel producing high quality engineering components used in a variety of advanced industries, is looking for the services of an experienced overseas sales representative. Applicants should have a minimum of 2 years' experience within a technical Export Sales department, be of good general education with fluency in French. Knowledge of German an advantage, preferably aged 25-30.

On completion of an introductory programme the successful candidate will, under supervision of the Export Sales Manager, take over an existing driving territory. Must be willing to travel, generally in Western Europe.

Conditions of service are excellent and a salary commensurate with qualifications and responsibility will be offered.

Please reply in writing stating brief details and quoting reference number DMS/1, to:

Personnel Officer,  
Doncasters Motor Bridge Limited,  
Whitehall, L51 1PE.

## SALES PROMOTION MANAGER

Retail

Well established manufacturers of branded products wish to expand the sales to shop department stores and chains, seek executive with previous success in merchandising, display, advertising, sales promotion and with some field sales background. Experience in consumer goods, such as cosmetics, haberdashery or similar would be useful. This is a London based appointment with excellent future prospects. Age group 30/50; salary approx. £3,000 per annum according to experience, car and pension scheme. Apply in strict confidence with full details to Box AX578.

## REGIONAL SALES MANAGER

Our client is a major international company, the largest in its field in the world, with total sales approaching £100 million.

The Company is about to enter the U.K. market with the aim of dominating its chosen field within 3 years. Men who join now will be in a unique position to grow and prosper with a really dynamic enterprise.

The products are fast moving consumer goods, to be distributed through grocery outlets. They will enter a large established U.K. market, and will be supported by one of the biggest advertising and promotion budgets ever seen in the U.K. for a product launch.

We want a top class Regional Manager for the North East. The successful candidate will already be handling a similar job with one of the major grocery companies. He must have a record of successful regional management and extensive key account handling experience. He must be a fast mover, able to grasp opportunities and to set the pace for a national operation.

He will have a 20 man sales and merchandising force to handle about £½ million sales.

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Location: North East

Send a postcard immediately for an application form to:

JOHN MCCORMICK MARKETING ASSOCIATES LTD.,  
8, RUE, 22 GREAT CASTLE STREET,  
LONDON, W.1.

## Industrial Lawyer

The General Electric Company Limited has vacancies in two of its main product groups for Industrial Lawyers with contracts experience.

Applicants should have qualified as solicitors or barristers and have some years of experience as lawyers in industry. They will be involved in the negotiation and drafting of major contracts, including contracts for work overseas, and some foreign travel may be involved.

Locations, Midlands and London.

It is expected that candidates will currently be earning a minimum of £3,500 p.a.

Applications, which will be treated in the strictest confidence, should give full details of experience and salary and should be addressed to: Manager, Personnel and Administration, The General Electric Company Limited, 1 Stanhope Gate, London W1T 6AA.

S&C

## Divisional Sales Manager

about £3,000 per annum

Firth Cleveland Fastenings Ltd., a member of the Firth Cleveland Group, requires an experienced man preferably in his late thirties, to head an energetic technical sales team within the U.K. engaged in selling specialised spring steel and plastic fasteners of high repute to domestic appliance manufacturers, the motor industry and others.

The appointment will be at Treforest, in a particularly attractive part of South Wales, close to the City of Cardiff. The company has a sound trading record employment conditions. The salary is negotiable at around £3,000 p.a. and a car will be provided.

Applications, giving concise details of background, experience and administrative appointments, should be addressed to: The Sales Director, Firth Cleveland Fastenings Ltd., Treforest, Pontypridd, Glamorgan.

FCF

A Firth Cleveland Group Advertisement

## MARKETING MANAGER

U.K. subsidiary of large American Company, based London, requires experienced Marketing Manager to increase substantially its sales programme.

The man we seek will be experienced in fast selling consumer products for the general non-food retail trade. He will be able to guide the programme from the product to the final sale through our own field sales organisation.

Remuneration and benefits will be commensurate with ability and experience.

Write first letter providing full details of age, qualifications, career to date and salaries earned to Box AW666.

## MARKETING MANAGER

(Pharmaceuticals)

We are a small efficient and progressive Irish company and we are about to make a new appointment. The Man: Here's how we see the man we're looking for: He is 27-35, with 5-10 years experience in marketing pharmaceuticals and is ready to assume control. He will know the industry, have the capacity to make top level contacts, and sell our products and service.

The Job: To sell to the UK market and then expand sales to the Middle East and African markets. Travelling—a necessity. French or a second language—preferable—and we mean ability to speak it.

Conditions: £2,500 per year, plus profit participation. This is a challenging job which requires a self sufficient decision maker, who can organise independently. Box AX577.

## Field Sales Manager

Around £3,000 North West

A large and expanding group of companies wishes to recruit a Retail Field Sales Manager.

The successful applicant, who will be 30 to 45 years of age, will have the experience and personality to manage and motivate an existing Sales Force selling to Paint and Wallpaper and D.I.Y. shops, and Supermarkets.

The company offers a starting salary of around £3,000 p.a. a company car and expenses, and a pension and life assurance scheme.

Applications, giving full details of career to date, may be accompanied by a covering note listing organisations to which you have applied, and your name to be forwarded. Write in strict confidence to: J. Deacon, Senior Appointments Officer, Ref. 26/A. Promark Management Confidential Reply Service, Old Colony House, South King Street, Manchester M2 6DU.

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## GENERAL MANAGER

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He will be an energetic person, aged between 35-45 years, with a high degree of leadership, wide experience in industry, and a proven record in General Management and modern management techniques, particularly in financial control. He should possess a strong personality, combined with a spirit of enterprise, and will be expected to expand activities by exploring new and existing markets.

This is an outstanding opportunity for a man of initiative. The salary will be in the region of £4,500 p.a. but will be negotiable. Benefits include a company car, Contributory Pension Scheme and a Group B.U.P.A. scheme. Relocation expenses will be paid where necessary.

Apply in first instance, giving full relevant details to:

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stating any firms to which you do not wish your application to be forwarded.

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Atlantic Freight Secretariat Ltd. is a Company administering the affairs of the North Atlantic Freight Conference, and the Canadian North Atlantic Westbound Freight Conference. Two of the Major Shipping Conferences in the U.K.

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A high educational standard is required with at least an 'A' level in English. Preference will be given to a candidate with knowledge of the shipping industry. The salary is £2,000 p.a. plus commensurate salary to be negotiated but not less than £2,000 p.a. The Company offers a Life Insurance and Superannuation scheme and provides luncheon vouchers. Three weeks' holiday after 12 months' service. Curriculum vitae marked 'Private & Confidential' to be received by 31st July to be sent to: The Secretary, Atlantic Freight Secretariat Ltd., General Buildings, LIVERPOOL L3 1DE.



# Prufrock

## GOES FISHING



### The nasty tail of the Monk Fish

IT HAS BEEN a week in which yone has been getting feisty about fish. Your fisher's slab has suddenly become an arena for international men and the distant water and the gleam of the home-caught sea creature on are really sticks of dynamite in disguise.

Brussels the protection of inshore fishing industry has loped into a very ticklish and up in their northern seas the Icelanders, about the Great European Vision, suddenly said it's *hellus* that "to hell with that!" plan to extend their territorial limits to 30 miles in September next year.

As when great issues are weighed it sometimes happens that lesser ones, equally important in their way, get over-looked, which is why I was to be taking in the heady air of London's Billingsgate Fish Market last week, swimming in seemed dubious waters. The story was that some had been passing counterfeit up and the villain was the tly Monk Fish.

As Monk Fish, also known as Angler or Sea Devil, is an repossessing denizen, is an with a head and mouth as d as the fish is long. One of astier plays is to attract and ur fish, almost as large as using a slender dorsal with a skinny blob on its

end, as a sort of baited fishing rod on top of its snout. This way it is well nourished and its own tail flesh, very meaty, with a pinkish tinge to it, has a taste similar to scampi.

Now scampi is less a fish, more a dish, a name coined by an Italian chef in the late 1940s. It is more properly known as Dublin Bay Prawn, Norway Lobster, *Nephrops norvegicus*. Its juicy tail fried in batter is dear to the heart of every pretentious restaurateur who can't quite extend to *haute cuisine*. You even find it served in fish and chip shops.

Accordingly scampi has become the fastest growing bit of the UK shellfish business. In 10 years the value of the scampi catch has jumped from £363,000 to nearly £2.6 million. It is both small and very big business, from the family-owned fishing boats, which catch it off the Scottish coast, to the Imperial Tobacco Company, whose Young's Seafoods subsidiary sells £1 million-worth of scampi tails a year. In short it has become part of the British Way of Eating.

Now the Monk Fish, very much the poor relation, accounting for catches worth only £400,000 on the £70 million-a-year white fish market, is rearing its ugly head among the scampi, and it seems to me that some innocent consumers, untutored in the nastiness you can chance upon in the depths, might find this a little



Chris Newnes, lips sealed on the secrets of the swordfish

### Funny finnies

upsetting if they only knew. Chart Fish Merchants of Grimsby has recently started to market a new seafood cocktail with the winning name of Scamprée. On the pack it says it consists of edible white fish and scampi. But it doesn't say in what proportions, nor does it say that the white fish is Monk Fish pieces. And as you can imagine the label does not feature the visage of the dreaded Monk Fish in multi-colours. This would frighten all the peas out of any frozen food cabinet.

Scamprée has prompted at least one complaint to the Board of Trade from a public health inspector who thought the name misleading, but the Board of Trade replied by saying that the name had been allowed and registered as a trademark. William Hobson, a director of Chart, says it is a small firm with a turnover of £250,000 a year, a healthy export trade—in, among other things, Monk Fish Tails to France and Italy—and a lot of bright ideas. "You have to have them to compete with the big boys," he says.

I do wish he hadn't had this one. I will never again be able to look a piece of scampi in the tail with total conviction.

partner. At the time he was flying with BOAC as a navigator and Newnes, a chum of his, asked him to pick up a sample box of squid in New York. "We opened the box on his dining room table and there was this prime squid," recalls Newnes. "Jack couldn't understand why I was so excited." His first order was five tons from Young's Seafoods on the basis of the sample box. From then on, wherever Shiels flew, he spent his time-off in the local fish market. Even though he has now retired from BOAC and has come into the fish business full time, he still follows the fish by air, still forages in the fish markets of Athens, Buenos Aires and Hong Kong.

The firm sells to other wholesalers and retailers and does big business with places like Birmingham and Brixton, where there are large immigrant populations. At the Easter peak Newnes may sell three tons of grey mullet in a day, and a ton of red snappers. The snappers come from the Argentine, but by and large the two partners are loath to say where they get their fish, or sometimes even what they are. For a market operation it is conducted with great secrecy. There are even different levels of dialogues

for different buyers; reasonably forthcoming for the known customers, extreme reticence with the unknown ones. Apparently, in the Billingsgate fish business, industrial espionage is something wicked.

As Newnes says, "It only needs someone to discover what an unusual fish is and from where we are buying it, and they will bring in a few tons and knock the bottom right out of the market." And out of the C. J. Newnes Exotic Fish Monopoly too!

### Beer and chips

IF YOU ASK ME, it's Harry Ramsden's batter recipe which is behind all the excitement generated over last week's decision by Associated Fisheries and Allied Breweries to go in harness for a slice of Britain's fish and chip business.

Mind you, that's £130 million a year we're talking about. And the new partners are aiming for the aromatic heart of the market by announcing that they will open 60 Seafarers—Associated Fishery's posh name for a chip shop in Yorkshire and Lancashire during the next five years. And it's not going to be a closed shop. For £11,000 minimum, they're offering a franchise package deal to all-comers including site location advice, shop design, all the equipment necessary, advertising arrangements, etc. And the rights to Harry Ramsden's batter.

Now for those who don't know the difference between haddock and halibut, Harry Ramsden was the greatest chip-olier in history. The founder of the biggest fish and chip shop in the world at Guiseley, between Otley and Leeds. One of the few fish and chip shops to get into the Good Food Guide. As any Northerner knows, a fish and chip stand or falls by its batter. It has to be light, crisp and delicious.

It is said by gourmets that true batter—which is the same stuff Yorkshire pudding is made of—can only be mixed by a strong Yorkshire woman beating for at least 30 minutes, using a wooden spatula in the Heckmondwike manor.

With his own recipe, and pre-



Bayliss and oyster opener

that "unless the batter is right, nowt's right." The recipe was formulated nearly half a century ago by the late, great Harry and remains the same today.

There's no secret about the ingredients—flour, water and batter powder. It's which flour, which batter powder, which quantities, how you beat it and for how long.

Now, for the first time in 43 years, Harry Ramsden's batter will no longer be exclusive. It's part of the franchise package deal. And when you think of the staggering turnover at Guiseley it may be a bargain.

### Oyster opener

I'VE NEVER thought of fish-mongers as inventors. With all the filleting, cutting and slicing it seems an unlikely trade to spawn new technology. But both William Bayliss and Sydney Gibbard have managed to industrialise small bits of the business. Gibbard, a Billingsgate fish merchant, has a smoked salmon slicing machine—and very secretive about it he is—which in one day will do the same amount of work as three men. It has enabled him to build up a substantial export business in ready sliced smoked salmon, and has caused such a stir in salmony circles that American, Canadian and Japanese packers have all been after it, with no success.

It's behind barbed wire and machine-gun posts," jokes Gibbard who has no intention of relinquishing the advantage it gives him. He will not even have it patented because he feels some clever engineer would take the basic idea and modify it.

Unlike his machine, the Bayliss Oyster Opener is on the market and yours for £20. Bayliss, a London fishmonger who supplies the catering trade, has been selling between 200 and 300 of his machines every year since 1961. He found the original machine in Belgium, substantially modified and adapted it, and had it patented. It opens 20 to 30 oysters a minute, doesn't lacerate your hands, and keeps all the liquor in the shell without spilling.

Philip Clarke

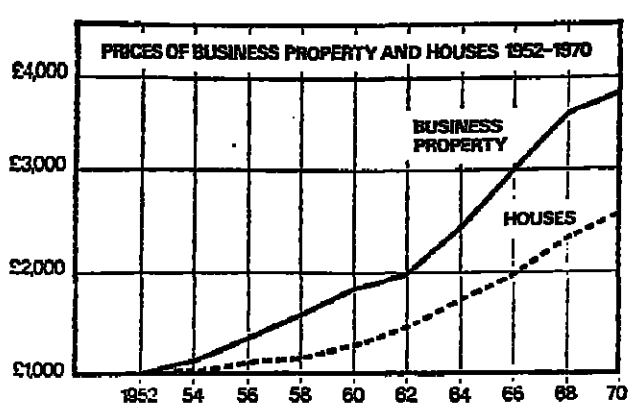
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largest and most successful life assurance companies in the country.

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Grosvenor Estate; and Geoffrey Morley, former investment manager of the Shell Pension Fund. Under the guidance of these experts, a full-time property investment manager, who is himself a Chartered Surveyor, will manage the Fund on a day-to-day basis.

A leading firm of Charter-



# Hambro Property Investment Bonds

ed Surveyors, Messrs. Jones, Lang, Wootton, will independently value the properties in the Fund at least once a year.

### 4 Increasing life assurance

Unlike any other property bond, Hambro Property Investment Bonds have a built-in life assurance benefit which actually increases with the value of the Bonds themselves. This means that the amount payable either to your family or your estate on your death is always in excess of the actual cash-in value of your Bonds.

### 5 Tax advantages

The rental and other income which is accumulated in the Fund for your benefit is subject to tax at only the reduced life assurance company rate of 3½%. It is not treated as your income for tax purposes, so that you pay no income tax on it. There may be a liability to surtax when you take out the proceeds if you are then liable to surtax, but this amount is calculated on advantageous terms.

You are not liable to capital gains tax, and do not have the trouble of keeping records. The price of the Units is adjusted to allow for the Fund's own prospective liability. In current circumstances it is intended to restrict this deduction to 20% of the capital growth.

### How can I watch the value of my Bonds?

The Hambro Property Investment Fund is split into Units and the value of the Fund is calculated twice a month. The resulting offered and bid prices are published in The Times, Financial Times and other leading national newspapers.

### How do I cash my Bonds?

You can cash-in your Bonds at any time by sending in a simple claim form, and will receive a cheque within a few days.

To ensure that Bondholders receive the maximum value when cashing-in their Bonds—even in the very unlikely circumstances when it may be necessary to sell properties to meet withdrawals—the Company considers it prudent to reserve the right to defer repayment in exceptional conditions for up to 6 months. This will not apply in the case of the death of a Bondholder.

### What are Hambro Life's charges?

The offered price of the Units takes into account an initial charge of 5% and a rounding-up charge on unit trust principles. In addition, Hambro Life receives an annual charge of 3% of the value of the Fund. This covers the cost of providing the life assurance benefit as well as the Company's expenses.

The cost of buying, selling and managing the properties, as well as the valuation fees, are paid out of the Fund, and will not exceed the charges laid down by the Royal Institution of Chartered Surveyors.

### Annual Report

Every year, you will be sent the Annual Report of the Fund, giving a full description of all the properties, the names of the tenants and when the rents under the leases come up for review, together with the valuations of the property by the independent valuers.

### How do I buy Hambro Property Investment Bonds?

Simply complete the application form and send it in with a cheque for the amount you wish to invest. Your Bonds will be sent to you within four weeks.

### To: Hambro Life Assurance Limited

6 Little Portland Street, London, W.1. 01-637 2781

I wish to invest £ (minimum £250) in Hambro Property Investment Bonds and enclose a cheque for this amount payable to Hambros Bank Limited.

Surname: Mr./Mrs./Miss \_\_\_\_\_

Full First Names \_\_\_\_\_

Address \_\_\_\_\_

Occupation \_\_\_\_\_ Date of Birth \_\_\_\_\_

Are you in good health and free from effects of any accident or illness? If not, please give or attach details.

Tick here for 6% Cash Withdrawal Plan (minimum investment £1,000) ☐

Signature \_\_\_\_\_

Date \_\_\_\_\_ STB SP 3

Send in your application and cheque now to get the benefit of Units allocated at the current offered price of £1.014. Offer closes on Friday, 23rd July, 1971.

The death benefit is a percentage of the cash-in value of your Bonds, depending on your age at death. Specimen examples are set out below (a full table appears in the Bond policy).

Age	Benefit
Age 30-39	250%
Age 40-49	150%
Age 50-59	100%
Age 60-69	75%
Age 70-79	50%
Age 80-89	25%
Age 90-99	10%

These benefits come into force only upon the acceptance of your application by the Company, which reserves the right to alter the benefit if you are not in good health or for any other reason. Contribution of 1% will be paid on any application bearing the stamp of a bank, insurance broker, solicitor, accountant or estate agent. This advertisement is based on legal opinion regarding present law.



## General • Management Services/Computer Personnel

## Computer Professionals to sell Satellite One

Flip back to page 36, and you'll see what we mean. But then a professional approach is what people have come to expect from us—and what takes us from strength to strength.

As an independent British manufacturer, we don't stand still. Our remote satellite system will figure prominently in our progress. Just as Modular One has done over the past few years.

And to generate the sales we're aiming for, we need several senior sales executives who can identify with these objectives, and our approach to the business.

The salesmen we take on now must understand systems inside out. Ideally your experience should include a degree, followed by extensive work with small computers, timesharing or terminals. As an indication of the standard we expect, you'll be talking to top level decision makers in industry, commerce, Universities, hospitals, laboratories, service bureaux and consultancies.

And you won't only know your business—you'll have the capacity, within a few months, to lead your own sales team, based at a regional centre anywhere throughout the country.

We appreciate there aren't many of you around—but the rewards are exceptional. A basic salary that recognises your ability; an incentive bonus scheme with no upper limits; forward-looking fringe benefits, and assistance with relocation. You see, growing with Computer Technology really means something. And our professionals are just waiting to give you the rest of the details. So get in touch now, today, Monday or Tuesday, between 10 am and 6 pm.

Just ring Hemel Hempstead (0442) 3272, and ask for Richard Killick, Marketing Manager, or Mike Seaton, UK Sales Manager. Computer Technology Limited, Eaton Road, Hemel Hempstead, Hertfordshire.



## Legal Opportunities Overseas

### Hong Kong

The following appointments are available for legal staff. Applicants should be Barristers or Solicitors, qualified in the United Kingdom or Republic of Ireland, with respectively a minimum of three years' experience since Call or two years' experience since Admission. The emoluments shown are based on basic salary scales and allowances. Terms of service usually include, free family passage, paid leave, education grant, subsidised accommodation and free medical attention. A terminal gratuity of 17% is payable and income tax is at low local rates. Starting salaries are calculated on the basis of one increment in the salary scale for each completed year of experience since obtaining the minimum qualification. Appointments are on contract to the Government of Hong Kong for an initial period of three years.

### CROWN COUNSEL

£2,035—£4,309

To undertake prosecutions, civil litigation, advisory work and legislative drafting.

### MAGISTRATES

£2,035—£4,309

To undertake the trial and determination of cases in a Magistrate's Court with jurisdiction limited to the imposition of penalties up to two years imprisonment.

For further information about any of these vacancies please write briefly stating age, qualifications and experience to:—

The Appointments Officer  
Room 301C, Eland House  
Stag Place  
London SW1 SDH

## Manufacturing Executive—Director Designate

A nationally known biscuit manufacturer in the Midlands wishes to appoint a Manufacturing Executive to be directly responsible to the Chairman and Managing Director for all manufacturing and associated activities in the Company's factories. The successful applicant will have had executive experience in food processing, and preferably will hold a production engineering or management qualification. He should possess the qualities that would justify his being appointed to the Board in due course. The preferred age is between 35

and 45, but suitably qualified and experienced applicants outside this age range will be considered. Salary is subject to negotiation, but would interest those already earning around £4,000 p.a. A company car will be supplied, and other appropriate fringe benefits.

Please write to us stating current salary and how you meet our Client's requirements, quoting reference ME/3129/ST on both envelope and letter. No information will be disclosed to our Client without permission.

Urwick, Orr & Partners Limited

Personnel Selection Division  
2 Darton St. London SW1H 9QE

## Statistics needed for today's important economic issues

Statisticians in the Department of Trade and Industry hold positions of considerable responsibility, where the results of their work help to form government policy. They have the satisfaction of providing a service to government and to industry and the public. They work in a congenial professional atmosphere with people in their own and other disciplines and there are opportunities to participate in professional conferences at home and abroad. There are now two vacancies for statisticians in the Department.

**Overseas Trade of the UK**  
Patterns of world and British trade are changing. You could join a team of DTI statisticians engaged in assessing the effects of these changes on our economy, and in forecasting our imports and exports, taking into account economic conditions at home and abroad. You will be working closely with economist colleagues and other departments.

**Public Industries.**  
You will be involved in monitoring the performance of the power and steel industries and assessing their positions

against the broad pattern of national needs. Your long and short term forecasting and skilled interpretation of statistics will affect policy decisions in these industries. Academic qualifications of applicants, who should normally be aged at least 28, will probably include an honours degree or a higher degree in statistics, or in another subject involving formal training in statistics, or a similar qualification. Several years' relevant experience is essential. Appointment may be permanent and pensionable or on a short term basis (with FSSU). Starting salary (inner London) could be above the minimum of the scale £2,025—£4,575. There are prospects of promotion to Chief Statistician, £5,175—£8,475, and to more senior posts beyond. For full details of these posts and vacancies in other government departments, and an application form, write to Civil Service Commission, Alencon Link, Basingstoke, Hants, or telephone BASINGSTOKE 29222 ext 500 or LONDON 01-639 1696 (24 hour "Answerphone" service) quoting A/619/5. Closing date 3 August 1971.

Department of Trade and Industry

Public Service of Papua New Guinea

## Transport Administration and Operation

The establishment of an efficient transport system is a key pre-requisite to the future economic development of Papua New Guinea. While air transport has played a vital role in opening up the interior, road transport is now assuming greater importance as the highways construction programme expands. The volume of coastal shipping is also increasing and major works are in hand at ports throughout the territory.

The Department of Transport has been set up to undertake studies relating to the administration and development of transportation systems and to develop, formulate and recommend policies and programmes. The Department is also responsible for formulating and administering transportation legislation and operating and maintaining the Administration's transport fleet and facilities.

Three appointments are to be made at Assistant Secretary level within the Department and in the following areas of responsibility.

### TRANSPORT POLICY

To direct and co-ordinate the activities of the Transport Policy Branch and be responsible for all aspects of transport policy and legislation. Wide administrative experience of transport planning is essential.

### ROAD TRANSPORT OPERATIONS

To direct and co-ordinate the activities of the Operations Division including the administration of the motor transport fleet. Also involved is the preparation of submissions and recommendations on road transport regulations and commercial transport practice. Essential qualifications are wide experience and knowledge of road transport operations and legislation.

### MARINE TRANSPORT OPERATIONS

To direct and co-ordinate the activities of the Marine Transport Operation Division including operation of the Administration's coastal transport fleet. The duties will also eventually cover responsibility for navigational aids throughout the territory. Wide experience of marine transport operations and legislation is essential.

### Location

All positions are based in Port Moresby but travel throughout the territory will be necessary.

### Conditions

- Contract employment for four years will be offered.
- Return economy fares will be paid.
- Generous baggage allowance.
- Accommodation provided at nominal rental.
- Three months' leave after 21 months' service.

### Salary

All appointments carry an initial salary in the range \$A 11,676—\$A 12,079 per annum including territory allowance for single appointments. Married men receive an additional allowance of \$A 360 and an educational allowance to cover cost of children's schooling where appropriate. (1 \$A = 46½p stg.).

### Interviews

Candidates will be interviewed in London by the Director Designate, Department of Transport, between 4th and 6th August, 1971. Write with full personal and career details giving, if possible, contact telephone number to: Recruitment Officer, Public Service Board, Canberra House, 10-16 Maitland Street, Strand, London, W.C.2. (To arrive by 29th July, 1971).

## Razor Blade Production Manager

### A golden opportunity in South Africa

Prominent South African Company diversifying into Razor Blade manufacture requires self-sufficient executive to take complete control of the manufacturing side of this division of the company. The plant is modern and was supplied by Svenska Raskladsfabriken AB. Excellent prospects and salary negotiable. Successful applicant will be required to live in Johannesburg and will enjoy Medical Aid and Pension benefits in addition to one of the world's finest climates.

Please telephone Mr. Allen at London 01-930 7711.

Interviews will be held in London on July 19th, 22nd or 23rd.

## Senior Executive Consumer Products £3,500+

An experienced executive is required for the Overseas Division of this International Organisation which has a number of overseas subsidiaries. The Company's diverse operations include production and marketing of branded medical and surgical products, cosmetics, toiletries, sanitary protection, plastics and textiles. Applicants should have had extensive experience in the control and direction of overseas subsidiaries in all aspects of their operation, preferably with a central organisation. Experience in the particular activities of Smith & Nephew is not essential but it should be in the consumer products field. The appointment is based in Welwyn Garden City but travel overseas for up to four months in the year may be required. Preferred age range 35-45 years. Salary will be at least £3,500 per annum plus a Company car and other benefits but negotiable according to qualifications and experience.

Application should be made to P.H. Rae, Smith & Nephew (Overseas) Ltd., Bessemer Road, Welwyn Garden City, Herts.

Smith & Nephew Associated Companies Ltd



# Tomorrow's budget—will the target be 4% growth?

BY MALCOLM CRAWFORD, Economics Editor

TOMORROW in the Commons, Anthony Barber will produce his July mini-Budget. This will not be so much the result of a careful and lengthy review of the economy by his Treasury economic advisers, as a policy dictated by British industry.

Of course, with the debate on the Common Market White Paper coming up this week, the Government wants to have the wavering and the doubtful among the ranks in as cheerful a mood as possible. Reflation was the catchword, and the CBI, by offering a credible scheme for temporary control of prices, on do-it-yourself lines, as a *quid pro quo* for reflation at 4% (instead of the 3% hitherto projected by the Treasury) has forced the Chancellor's shaky hand. All the signs are that the Government has decided to accept the CBI offer and go for a real reflation.

Business opinion has been deeply frightened by this recession. A month or two ago, it sometimes sounded as though industry was taking itself into a depression through sheer panic. Its positive reaction has, in the event, been admirably constructive—even though the business slow-down does not now look quite as sharp as many people were fearing.

A few weeks ago, it looked as though Britain was slipping into a recession that was too deep for the Budget measures (which are just starting to take effect now) and the pension increases (timed for September) to pull us out of. The OECD's current estimate of UK output for the year, in its latest Economic Outlook (published last week, but prepared on figures up to about June 1) reflects this gloomy picture: it estimates a drop in output of 2½% in the first half of 1971. The Treasury never saw things quite that blackly, but that is roughly how things looked. However, the outlook has changed somewhat since then. Mainly due to upward revisions of some of the industrial production figures, it now appears that the drop in the first half was only about 1% or so. This is still

more than the official estimates in the Budget statement, but it does not justify the recession jitters many have been feeling. Yet even a mini-recession occurring at a time when unemployment has risen to 3.2% (4.4% among men) makes a case for topping-up the Budget medicine look quite respectable.

In any event there has been so much fanfare and so much anticipation (thanks mainly to Barber's delaying the measures as long as he could) that it will now be politically impossible to go for under 4%. There was never much doubt that he was going to announce a major easing of hire purchase controls. These had already been outflanked by the finance houses' decision in May to stop exercising a supposedly comparable restraint on personal loan credit, and indeed so many leaks have developed in the consumer credit control system during the 2½ years it has been held in the "on full" position that easing them will probably not have the dynamic effect such actions used to have. Easing HP controls could still add at least another £100 million to consumption over the coming 12 months, though.

To get an extra 1% increase in demand, however, will require much more than that. In terms of total output it needs about £400 million. The CBI wants measures to aid industrial investment as well. The Government has got itself in something of a box over this, having abolished investment grants. To ease depreciation allowances would wipe out the differential favouring the development areas.

This leaves the regulator—a flat 10% off all indirect taxes, including purchase tax, tobacco and alcohol duties, and duties on petrol and oil—which would pay back just over £300 million a year to the public. This would stimulate output by some £200 million a year, which would add an extra 1% to growth.

For the development areas,

Barber's colleague Peter Walker, wearing his regional cloth cap (he is Secretary for the Environment, according to our new American-style designation of Ministries) has already stolen some of his potential padding by announcing last week an injection of some £50 million a year in additional local project spending in development areas, to apply over the next two years. I gather this will be a real increase in expenditure and will not be taken off existing programmes.

In addition, the Government last month announced £46 million extra housing grants for development areas. If these measures are counted into Barber's package, it might add up to the extra 1%. This would start reducing unemployment—the present 3% official growth forecast would only hold unemployment steady after it bottomed out somewhere around the 800,000 mark.

What has been deterring Barber is the absence of measures against inflation that showed any sign of working. Although Whitehall officials no longer take the simple view that inflation is solely the result of excess demand, any Barbard addition to demand is expected to add, on balance, some extra fuel to prices and wage demands—especially if it causes demand to rise much faster than capacity (or in other words, if it will reduce excess capacity). This last is exactly what Barber's measures tomorrow will do.

The Government will be gambling heavily, therefore, on the success of the price restraint offered by the CBI. There is no sign of any comparable offer by the TUC and indeed it would be unrealistic to expect one. Prices have been rising faster than wages so far this year (the reverse of last year's experience) and union members could not be enticed very far into voluntary quiescence, however the TUC might try to cajole them.

For the same reason it should start to recover one tendency for excess capacity is stopped. So it is industry to take the initiative price inflation can be cut by an annual rate of 3%, over next six months (which should be possible if food prices stop rising, and the 8% rate of rise which is compatible with that (are now rising at about, possibly at a bit less). There is iron law that says it will; if that if workers feel that real incomes are rising they are less ready to strike. It gamble.

Of course, the whole could still fail to get off ground. The CBI does not know exactly what is in its package Barber will announce tomorrow, and the package fall to satisfy its members.

But subject to these uncertainties, we shall have a package which will raise demand and dig a little into Britain's rather large reserves of unused labour and unused industrial capacity. The balance payments is no longer a consoling factor; here, too, more OEM is warranted than when OECD figures were prepared. It looks now as though a current account surplus of £300 m. was earned in the first half. OECD was looking for £460 million for the whole. Although I had several m. ago, urged reflation while the wage-price spiral from prices side, I still have a strong feeling that if the package started, it will be at year before it can be judged have worked or not. It will several months for wages to act. Then the real test will come towards the end of the 12-month restraint period. Capacity shortages will have gun to show up here and there. It would be nice to think the Government has some longer policies up its sleeve, to deal the situation when the CBI controls come off—or fall apart.

## Spillers tries to make more bread out of loaves

TONIGHT, at 9.20 precisely, the Homepride flourgraders will put an end to the guessing game with which they've been teasing London Weekend viewers since Friday evening and whip the cover off their new dust-laden Homepride loaf. It is longer, slimmer and proclaims the orange wrapper, "baked later to stay fresher" than the standard competition.

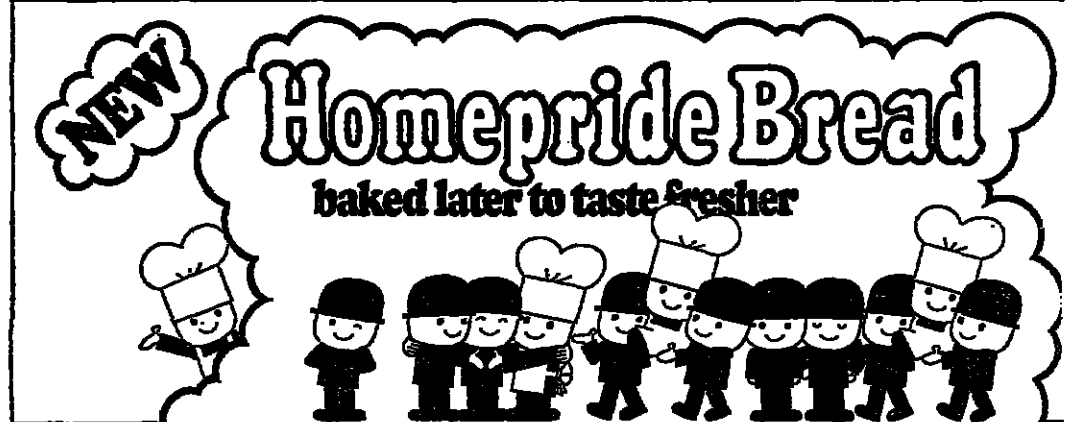
It is also the first bread for which housewives have decided the specifications—or rather 1,500 of them who, for the past 15 months, have each gamely chewed their way through 76 different loaves so that Spillers could turn out something tastier, less like steam-baked cotton wool. But it is also one new penny more expensive, at 10p, than the same 28oz size of RHM's Mother's Pride, Associated British Foods, Sunblest, or Spillers' own Wonderloaf.

Spillers is taking a calculated gamble based on research which showed women would be prepared to pay more for something called Homepride, because they expected it to be better. And successful higher-priced loaf could bring greater profitability to Spillers' United Bakeries operation, something the company was trying to achieve even before last year's profits nose-dived by £2 million to just over £5 million: for the bakery division provides over 25% of Spillers' £192-million turnover but only 10% of its profits.

Along with other mass-production bakers, Spillers finds itself embraced in a terrible straitjacket. With too high an investment (over £20 million) to contemplate getting out altogether, it operates in an industry where over-capacity is estimated to be as high as 20%, but, on average, every customer is refusing about half a slice a week, thus producing an inexorable 1.2% drop year on year. When 1% means a least £4 million, that's a lot of bread. Yet highly automated baking plants depend for profitability on sheer volume. Even a 1% gain in market share by Homepride could mean Spillers' plant utilisation would go up by 10-15%, straight jam on the profits.

Return on capital for baking is notoriously low (6½-8½%) and all four major groups—Associated British Foods, RHM, Spillers and J. W. & J. Lyons—have tried to improve it by rationalising. RHM, Britain's biggest baker, has closed 30 bakeries in three years. Garfield Weston's ABF reckons to have been more ruthless than anyone else in rationalising. And although its overall share of our daily bread is slightly less than RHM's, its profitability has enabled it to dictate retail prices and hence profits to the rest of the industry.

Last November, it charged one old penny more for a standard loaf instead of the two pence some bakers had been hoping for. The rest of the industry followed suit, just as it did when ABF rounded down by a half-penny on decimatisation by 9p. By restricting the amount of profit available in this way, ABF has pressured the rest of the industry into examining how worthwhile it is to carry on, especially the independents, who



Will the little men pull out the extra pennies?

still account for about 30% of bread production. Rationalisation is one way of tackling the problem of return on capital. Given that volume is the key, increasing your share of the cake is equally acceptable. Yet none of the high-powered marketing efforts of the last five years has succeeded in changing the balance of power.

Because whatever women say in answer to eager researchers, the fact remains that home-baked type bread is a minority choice (brown bread only accounts for roughly 7.5% of sales). Wrapped, sliced bread has grown over the past decade to make up 80% instead of 70% of sales. Convenience seems the most telling factor. But it does leave dissatisfaction in its wake and this is what Spillers took as its starting point.

A joint development team, headed by Peter Fleck, head of Spillers' grocery division, and Harry Colbourne, chairman of United Bakeries, came up

with a new type of flour, a new method of baking, plus dramatic changes in its production and delivery schedules to produce the new Homepride loaf. Its narrower shape and curved top, as opposed to the square, wrapped and sliced standard model, is reminiscent of turn-of-the-century bread, save that modern machinery now makes even texture all the way through a normal event instead of a miracle. "We've tightened up our production schedules and cut the time between baking and delivery to justify our claim," says Colbourne.

This is the chief factor in ensuring freshness. The time between baking and delivery for Homepride has been cut by three hours. No Homepride bread is likely to be more than seven hours old when it reaches the shops, compared with a lifespan of anything between three and 17 hours for the standard loaf.

This is one reason why Spillers' grocery division was pre-

pared to allow the powerful will built up by its Homepride flourgraders to be used or new bread: all its claims have to be substantiated before could start advertising. subtle, immeasurable yet mous belief in, and affection the flourgraders, created agency Geers, Gross, which Spillers' Homepride flour m leader from virtually nothing a very powerful launching.

If Spillers reaches 2% o bread market with Homepride can chalk up a success. T allowing for a certain seepa Wonderloaf buyers. But based on a national sales esti and the current campaign is in southern England. The lp on a Homepride loaf will start yielding a profit until test market moves beyond mingham, where shops cut t prices as loss leaders. The test of the flourgraders' a will come then.

Gwen Nut



NOVA (Jersey) KNIT

Extracts from the Statement of the Chairman, Mr. F. Strasser, circulated with the 1971 Report and Accounts:—

The pretax profits for the year were £683,936 against a forecast of £400,000 made at the time of the flotation.

The total dividend is 35% against the prospectus estimate of 25%.

The South Wales factory was completed early in 1971 and will be a major step in the company's progress.

Prospects for the American double jersey venture—Uxbridge Knitting Mills—in which we have a 40% interest, are very promising and it is now proposed to acquire a further 40% interest in this business.

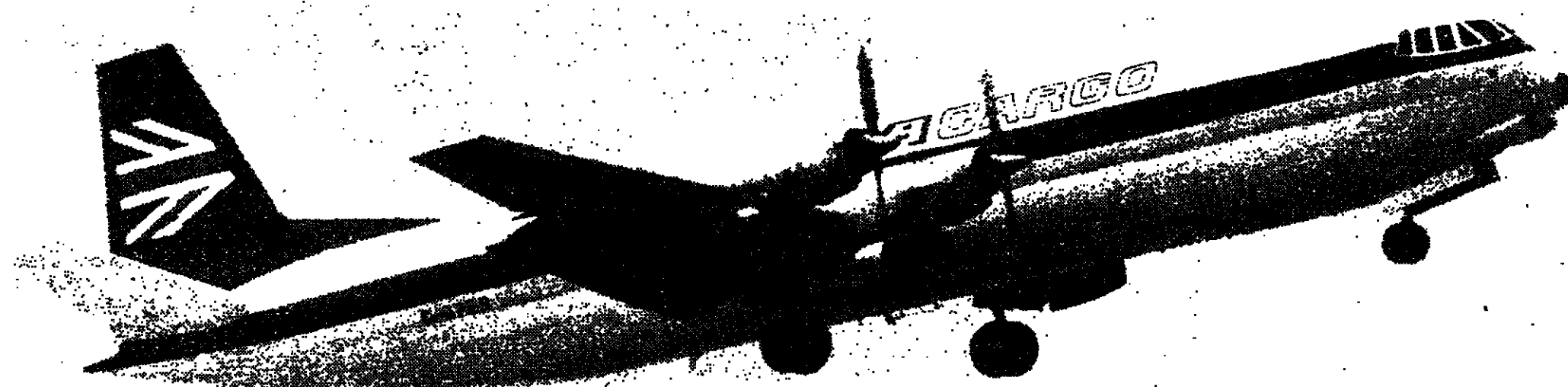
Certain benefits from the expansion which took place last year should be felt in the current financial year. Your Board hope that the results will show a satisfactory increase over those for the past year.



	1971	1970
Turnover	£6,099,586	£3,870,350
Profit before taxation	£ 683,936	£ 348,509
Total Ordinary Dividend	35%	—
(Nova-Knit became a public quoted company in June 1970)		
Issued Capital and Reserves	£1,746,469	£ 839,141

Copies of the Report and Accounts may be obtained from the Secretary, Nova (Jersey) Knit Limited, 234-248 Old Street, London EC1P 1AL.

# Think of it as a crow.



It's a BEA Merchantman.  
 It flies cargo from the principal cities  
 of Britain to the principal cities of Europe.  
 Straight there—and straight back.  
 As the crow flies.  
 No transshipping to other aircraft en  
 route. No time, money or goods lost en  
 route.  
 BEA have a whole fleet of  
 Merchantmen. More freighter services  
 flying to more points in Europe than any  
 other airline.  
 And BEA is the only freight airline in  
 Europe specialising on Europe.  
 Which is something else to crow about.

**BEA CARGO**  
 As the crow flies.





# COURTAULDS

## Difficult times— more cheerful prospects

In his speech to shareholders at the Annual General Meeting of Courtaulds Limited, which was held on July 14th at the Wigmore Hall, 36 Wigmore Street, London W.1, the Chairman, Lord Kerton, O.B.E., F.R.S., welcomed shareholders to the 58th Annual General Meeting and, after paying tribute to directors who had retired, and dealing with other Board changes, said:

### REPORT AND ACCOUNTS

In commenting on the Report and Accounts last year, I expressed the opinion that the 1969/70 profit figures were good, particularly in the light of adverse circumstances. I listed the adverse circumstances as little growth in the U.K. economy, sharply increased costs for our raw materials, work stoppages at several of our key sites, and unchanged selling prices. In the financial year to 31.3.71, these same circumstances persisted, and indeed intensified. Additional factors were a textile recession in the USA, reducing our profits there; considerable difficulties with our business in Australia; and an actual falling off in all markets of the selling prices of most fibres. The one fibre which was in short supply was polyester filament, and with it producers continued to make good profits. But polyester was also the fibre field from which your Company had been shut out.

For the second year in succession, your Company was squeezed between rising costs and constant selling prices. Our costs—wages, salaries, raw materials, fuel, and the rest—rose in total by well over £40 million. Our prices overall were unchanged. In a considerable number of areas, prices fell due to over supply and strong buyers. In some cases, where the market conditions were not so severe, or where our customers recognised that without some uplift in prices we would simply stop production, we did get an increase. But overall, in home and export markets, there was no change. Two years of stable prices in inflationary conditions is severe medicine for any Company.

It is nevertheless disappointing for your Board to report lower profits, £41.7 million before taxation, than in the previous two years, especially as those working for the Company increased their incomes substantially. But the actual figures do reflect considerable internal success in keeping the rise in unit costs down to a level below that of the inflationary pressures. This was the result in large measure of increased efficiencies, themselves due to a high level of capital expenditure, and to better organised working. A good deal of our capital expenditure went towards increased verticalisation. Without the verticalisation we have so far achieved, we do not feel we would have weathered, in our particular situation, the pressures of the last few years.

### GENERAL SURVEY

Exports: With our home market so flat—and we are UK based to the extent of 78 per cent of our production—we intensified our export efforts. We increased our exports by 15.5 per cent in value, to a record £113.6 million. And by rather more in volume. In world fibre and textile conditions, there was no benefit of increased export prices for us. I would point out that with our exports we have nothing to offer which our competitors cannot also offer. And our products are items of low unit price. So to become one of the largest exporters from the UK—a member of the top ten—has been very hard going. We received two Queen's Award Citations for export achievement last year, the fourth year in succession we have received such recognition. Our exports cover the whole field of Group activities, but some Divisions are more export orientated than others, exporting up to half their production. We intend to seek out further export opportunities in the years ahead. It will bring increasing success to your Company, in the medium and longer term. And benefit the Country at all times.

### FIBRES

Viscose: The great developments in fibre market growth in the 1960's were in the chemical fibres—nylon, polyester, and acrylic. The cellulose based man made fibres, of which viscose is the chief, grew only modestly and were overtaken first in value and then in volume by the chemical fibres. In 1970, chemical fibre production on a world basis continued to grow, but viscose and acetate output declined. At the beginning of the 1960's viscose was Courtaulds. It is now but a modest part of the Group, but is still important. I think after the world shake-out in viscose in the last two years, it will continue to be important.

Our viscose filament production for textile purposes is now carried out in only two factories, at Flint and Preston. During the last year we closed Wolverhampton and ceased production at Carrickfergus. The yarn is now getting back to its beginnings, a speciality, and as such is well fitted to certain end uses. We export 40 per cent of what we make. Last year the product made a loss, but this year the selling price has begun to harden. It would have to increase dramatically for new plant to be justified, and the product will always be vulnerable because it demands a relatively labour intensive process, and is easily and badly upset by labour troubles.

Viscose tyre yarn is also now made in only two factories, Preston and Carrickfergus. It is an excellent material for radial tyre reinforcement, but is under challenge from steel, polyester, and glass. Last year, after price increases, we made a profit on this activity. In the new financial year, demand has so far not been brisk and in addition strikes and stoppages have adversely affected operations. Viscose staple is a big volume item. We increased production slightly last year and exported nearly half

of it, the home market continuing to be flat. The product is at a crossroads. We ourselves made a small profit, and we feel that very few of our international competitors did. In some cases, we know they made large losses. As a result, a number of units are currently being shut down. In America and Japan, prices have begun to harden. We think the increased prices will probably stick, in which case our export business should be relatively favourable in 1972. Viscose staple is a very versatile material. Our newer varieties have been taken up more slowly than we expected, but their merits are being increasingly recognised. Given reasonable labour stability, we regard the future for our viscose staple in the 1970's with cautious optimism.

Acetate: "Dicel", "Tricel", and "Tricelcon" are fibres which have certain well established basic end uses, but depend on variants with a high fashion content for a satisfactory level of profits. In the past 12 months, sales and prices have both been affected by the great popularity of polyester in its various forms. We had planned for a considerable increase in output, and made provision for this. Our timing was wrong. We still have confidence that the increased availability will all be needed, but it currently looks as though this will not be before 1972.

Profits from Chemicals and Plastics associated with Acetate Manufacture were higher than in the previous year.

Nylon: Our "Celon" units at Aintree and Spondon have operated well, and our product, in quality and variety, compares favourably with that of other and older established producers. Pressure on nylon prices was severe both at home and overseas. With their smaller scale of operations, our overseas units had a particularly hard struggle. We are turning these smaller units over to specialities as we develop the appropriate yarns.

During the 1950's, and for part of the 1960's, the world's nylon producers had a very profitable time. It is different now. One has to be good to survive. We were not able to start on our own nylon plant constructions, which we did from scratch, until the mid-1960's, for reasons which are well known. We now have excellent units at Spondon and Aintree, and elsewhere, and are confident that in very competitive conditions we can continue to make a reasonable return on the capital outlay.

Acrylics: "Courtel" output went up last year, as planned, but profits began to be increasingly affected as the year proceeded, both by cost pressures and selling price pressures. More and more acrylics have become available from a variety of sources. We have decided to consolidate Grimby production at its present capacity of some 3,600,000 lbs/week. We are concentrating on bringing to the best pitch of efficiency the complex new units which have been installed in the last year or two. We are also updating our older units. In France, we have successfully completed the first stage of the expansion I referred to last year, and now have a capacity of 1,600,000 lbs/week. The second stage of the expansion is still under study. In America, conditions have not been suitable, as yet, to proceed with our proposed venture there.

Acrylic fibre producers have met increasingly in the last 12 months the same pressures as nylon producers. We are fortunate that with "Courtel" we have a very versatile fibre, and we are continuing to develop new variants and to find new outlets.

Our mod-acrylic fibre "Teklan" had a very up and down year. The first half, as new outlets developed rapidly, was favourable. The second half saw severe setbacks in most overseas markets, which are still continuing. But taking the longer term view, the non-flammability properties of this fibre should lead to more stable and reasonably profitable outlets.

Polyester: We were only able to start the construction of our first polyester unit, at Carrickfergus, at the beginning of last year. Good progress has been made. The first trial spinnings, which were encouraging, have already taken place. But commercial production, on a limited scale, will not be possible before the autumn, and it will be well into next year before the unit is fully operational. We are already considering an extension of the unit, beyond the initial 20 million lbs/year, but we have noted the rush by established producers to expand capacity, in view of the boom of the last 18 months. We must be satisfied our own process is fully competitive before proceeding.

Other Fibres: Our elastomeric fibre "Spanzelle" is doing better, and profit is increasing. Our steel cords unit was profitable, and we have made a number of improvements to the process. We have a participation in another unit, in France, which is steadily expanding, but have postponed going ahead with a second factory in the UK. Steel tyre cords have been a major success of the Michelin Tyre Company, and other tyre producers are increasingly interested in steel cord reinforcement for tyres. The unresolved question is whether there is major profitable scope for independent suppliers to the tyre companies, who drive very hard bargains.

Our carbon fibre development proceeds steadily, if rather expensively. We have increased capacity, and also our range of new products, which include some very high performance material. We have reduced prices. But the considerable technological breakthrough represented by carbon fibres is still in the use-development stage. With the fall off in military spending in the USA, progress will be slower than the optimistic forecasts, so widely publicised, of two years ago.

### TEXTILES

Our interests in the textiles and garment field had mixed fortunes.

The Northern Spinning Division had a reasonably good year, and increased its use of Group fibres. The re-equipment programme, in its first phase, is

about 75 per cent complete, and the expected benefits have accrued. We now produce in 34 mills rather more yarn than was produced a few years ago in 54 mills, and it is yarn of better quality. We have made steady progress with the so-called break spinning technique, and these yarns are getting wider acceptance. The Division is not currently fully extended, a situation which will correct itself as the Northern Weaving Division advances with its planned expansion. The build up of looms at Lillyhall and Skelmersdale is proceeding, and extensions are in hand at Carlisle. The proportion of top quality cloth made is much better, as the new organisation settles down. Our sales and converting teams are more expert. In a year when UK woven cloth production from spun yarns decreased in yardage, we increased our own sales and our market share. The development losses now being made on this major venture are mainly unrecovered overheads. As production and sales build up, the position improves, as we intended and expected.

We have continued to develop our tops business in Yorkshire and our worsted spinning activities. Both made profits. We have also started up a new spinning unit for woollen yarns.

In filament weaving, production was also built up, and sales increased. The teething troubles of the various new types of looms we are pioneering in this country are yielding to treatment. And the low cost structure for which we were striving is beginning to appear as an achievable target. The Division has been reorganised, having outgrown its previous arrangements. The market for filament cloth in the UK has been depressed for some time, but there are currently signs of improvement. And our export efforts in filament weaving are also bearing fruit.

Warp knitting production has been increased, and extensions to capacity continue to be made. New effects in warp knitting are continually sought, and new markets are opening up. Profitability fell last year, since increased costs were not recovered in better selling prices. But the new financial year has opened more favourably, and we expect the trend to continue.

In welt knitting, developments have been extensive. We have greatly expanded our interests in jersey fabrics, opening up new factories and extending existing factories. The rapid rate of expansion, with training costs, and teething costs, have affected our profits in this area of our business, as has our virtual exclusion, until recently, from the polyester based fabrics. But profits still showed excellent growth. We see the single and double knit business continuing to expand, but at a considerably lower pace, and we feel that a continuous flow of new fabrics and new ideas will be necessary to maintain the interest and indeed the excitement of the business. We have therefore established and are building up a strong development team.

Our fully fashioned knitwear units had a difficult year, with well established lines losing favour quite suddenly. New ideas, new constructions, and new marketing are beginning to bring some recovery. In panty-hose the year saw a dramatic fall in price and in profitability, a process which continued fiercely into the current year. Within the last few weeks, signs of returning confidence and slightly better conditions are appearing.

Lingerie had a poor year, with competition accordingly being very intense. There are still few signs of improvement here.

In men's wear and children's wear, we have made progress, and profits. We are still relatively small beer in men's shirts, which have become a fashion item, and have had boom times. On the other hand, we have maintained our strong position in men's underwear and made reasonable profits.

Our interests in such lines as trouser suits, bras and foundation garments, have made profits. The continued fashion swing away from elasticated fabrics, together with reduced sales of narrow waist band fabrics following changes in the design of panty-hose, lowered Chatsworth-Penn's profits. The development of new products has been speeded up and management changes made. Results are now improving.

As a general observation, it is only in the past few years that we have built up a major position in the garment area, and we have had a lot to learn in the running of such businesses. What we are now beginning to know is how to be much faster in our reactions, and in our ability to switch product lines. The whole garment field is so much more volatile than it was. We have to marry good organisation with entrepreneurial and fashion flair, and keep the marriages happy and successful.

An example of where we failed in 1970 was Moygashel. At the beginning of 1970, the linen look lost popularity in the United States, by far Moygashel's biggest market. There had been dips in previous years, followed by recoveries, but in 1970 the sales failure accelerated, and then deepened drastically, beyond any previous post war experience. In a year, Moygashel turned from reasonable profitability to heavy loss. Corrective action—also expensive—has been taken. The outlook, with new lines, looks better for the autumn.

The turnover of our Wholesaling companies was slightly down, and profits were affected by rationalisation costs. But they now have an improved buying organisation and a more streamlined operation and are in good shape to become an efficient group distribution chain. Profits this year are improving.

In general textile servicing operations, such as yarn baling, dyeing, printing, twisting, etc., the Group had a successful year. We have been in these fields longer than with our garment activities, and the response to rapidly changing market conditions was good. We had our failures too, though, notably with Samuel Heap & Son, our spun woven dyeing and finishing unit, and with Standfast Dyers & Printers, also treating spun wovens. Both these units made considerable losses. We now seem to be getting Heads right again, and action is in hand to improve Standfast.

Looking back, our dash for survival and growth, coupled with numerous technological advances, put tremendous pressure on our managerial resources. But the experience has been a toughening process. And I can assure you that your Company now has excellent teams in being.

### PACKAGING

British Cellophane had a rough year with very difficult trading conditions. We did get very slight price increases, but as an example the average selling price of cellulose film in 1970 was only 23 per cent higher than in 1969, and only 6 per cent higher than in 1961. The polyolefin films had a hard year too, and the big new ventures in bonded fibre fabrics made slower progress than we hoped and had budgeted for. What one can say, is that British

Cellophane came through much better than its competitors. The start of the new financial year has been upset by labour difficulties. It is regrettable, and we have had very painful experience of this in many areas in the past two years, that operatives forcing work disruption do not seem to understand that the disruption makes it much harder to make the profits and have the resources to go even part way in meeting their claims. But given reasonable labour stability, we feel we can come through 1971-72 fairly well.

### PAINT

The International Paint Company had to contend with difficult conditions, like the rest of the Group, and tackled them with vigour. The reconstituted management team, which I mentioned last year, is settling down very constructively. The bigger part of IPC's business is in production units overseas. There is an inflationary situation in varying degrees in each country in which the Group operates, and in some countries the rapid changes caught the managements on the wrong foot. The Group also has major interests in the marine world, where fixed price long term contracts have been as much a bug-bear to the paint supplier as to the ship building firms themselves.

### ENGINEERING

The Group's Engineering Division based upon Coventry is contracting, as a consequence of a lower overall Group capital programme and a dearth of new fibremaking plants ordered by third parties. When the reshaping is complete, we expect this Group to earn satisfactory profits on the capital employed. We have a number of machinery companies, and I must single out one of them, Kirklands, which makes knitting machines for home and overseas markets. Kirklands achieved exceptional growth last year, and made satisfactory profits.

### OVERSEAS

The textile recession in the United States last year hit our interests there quite hard. It was not until early this year that our major unit at Mobile came up again to full production. We then had, in March, the misfortune to suffer a severe fire in the process plant, which destroyed the most up-to-date part of the factory, and caused the shutdown of the whole. Tremendous efforts by the local staff, with help from the UK, have resulted in all the runnable parts of the factory, nearly 70 per cent of the whole, being brought back on line. The destroyed areas have been cleared and the units are being rebuilt. We hope to have the factory fully restored by the spring of 1972.

Our French interests are going well. We have factories at Calais, Lille, Hellemes, Douai, Lyons, Colmar and other places. We make acrylic, nylon, and viscose fibres; we spin on the cotton and worsted systems; and we weave, knit and dye. We plan to continue to expand these varied activities.

In Canada we improved our position in cellulose film, but had a poor year with viscose staple and nylon. We have progressively reduced our stake in Canada, a high cost country for fibres and textiles, and still have trouble in keeping our remaining interests viable.

In Australia, now very much a Japanese market, and a supplier to Japan, the profit fall I mentioned last year continued, and there has been a loss in the initial months of this current year. Changes we have made have now reversed the downward trend, and the current year should finish up with a small profit. In South Africa, our pulp and timber interests have expanded, and have made profits. Our textile interests there were adversely affected during the year by some rather large bad debts as some long established customers failed. The South African market

too has had a number of fashion swings, and these also affected profits. The current year has seen some restoration of a better position.

The forests and pulp mill in Swaziland had their best year since the inception of the project. In the current year, profits are lower because of the very unsettled conditions which have developed in the world market for bleached kraft pulp, the main product of the Swaziland mill. Our various other overseas interests performed satisfactorily.

### FINANCIAL

In depressed trading conditions, and with a heavy capital investment programme, and with inflation of the cost of all goods bought in, the control of our financial position has been arduous. But we finished the year with stocks and debtors under control, and with an adequate cash position. We need a strong cash position to finance the business as trade improves, as improve it will. On capital account, we had a year of maximum spending. But this year and next we expect to see a considerable fall off in such spending. We have modernised and extended a number of our existing factories, and built a number of new ones, and all are well equipped. We have the facilities to press forward with our verticalisation programme, and this we will do. Our competitive position, in nearly all our products, is now stronger than it was a year ago, two years ago, or five years ago.

A programme of the kind we have carried out in the past five years, involving the spending of some £230 million, is formidable. In large scale operations of this nature, the benefit accrues some years after initiation and even some years after completion of building, as new operational and marketing skills have to be acquired and developed. The interest charges on borrowed money come at once, however, and the depreciation charges come before the new plants are fully established and profitable. Our return on capital employed, in the year just ended, fell to 10.8 per cent, the lowest for several years. And our earnings per share, after a sharp rise in the first half of the 1960's, have been static for a few years. What we have been able to do is to increase the cash flow available for investment per share, and the table on page 5 of the Report and Accounts shows that this figure reached a peak last year. Your Company in the 1970's will increasingly benefit from the investment policies of the past five years.

### IMMEDIATE PROSPECTS

Our results for the first half of the 1971/72 year will reflect the heavy immediate pressures upon us, and will be down on 1970/71. The UK market overall has continued to be very depressed, and an upturn depends on Government policies. We have in recent months been operating below capacity in many Divisions, and resistance to price rises, in over-supplied markets, has been fierce. On the other hand, our own costs continue to rise, and the demands of our employees for more pay, to cope with their own inflationary pressures, grow no less. We have had some expensive work stoppages in recent months, in efforts to increase the pressures upon us. We have resisted unreasonable pressures, and will continue to do so.

On the other hand, we do have brighter areas appearing. We do think higher prices, both at home and overseas, will, by degrees, be accepted. It is our view that the Government cannot continue to let the British economy stagnate. Our results, with our heavy gearing, will respond quickly to an improved trading and pricing atmosphere.

Given the changes we expect to see, the second half of our financial year should see recovery from the setbacks I have reported. But it will not be until the first half year results are announced, in November, that it will be possible to be more specific.

### KEY POINTS FROM THE CHAIRMAN'S SPEECH

- 1 World trading conditions for fibres and textiles were difficult in 1970/71. Courtaulds Group profits before tax, at £41.7 million, were £10.4 million lower than the previous year. This was the result of increased costs, and unchanged selling prices overall. This was the second year of unchanged prices.
- 2 Costs—wages, salaries, raw materials, fuel and other items—rose by over £40 million. The rise in unit costs was kept down to a level below that of the inflationary pressures.
- 3 Exports from the UK increased by 15.5 per cent in value, and rather more in volume, to a record £113.6 million.
- 4 During the year there were a number of factory closures. There were also a number of expensive strikes and other interruptions to normal working. New factories were opened for those products showing growth.
- 5 Textiles and garments had a mixed year. The need to react rapidly to market and fashion changes became a key aspect and management changes were made to achieve this.
- 6 The experiences of the Group's overseas activities varied. The well-spread French interests showed good growth and it is planned to continue to expand these interests.
- 7 In the five years 1967-71 a total of some £250 million has been spent on modernising and extending existing plant and on building the new factories. The Company has been re-shaped. Capital spending will be at a lower level in the current year and next year.
- 8 Working capital has been kept under tight control, and the Group has an adequate cash position to finance improving business.
- 9 The results for the first half of the year 1971/72 will reflect the heavy immediate pressures on the Company, with many Divisions working below capacity, and costs still rising.
- 10 Brighter areas are now beginning to appear, and an upturn in the very depressed UK market is not thought to be far away. The Group is in a position to respond very quickly to an improved trading and pricing atmosphere. Given the changes that are expected, the second half of the financial year should see a recovery from the setbacks of the first half.

### SUMMARY OF RESULTS

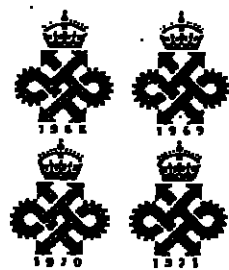
	Year ended 31st March	1971 £000	1970 £000
World Sales to third parties.....		659,583	626,546
Home Sales in the United Kingdom.....		403,260	383,881
Exports from the United Kingdom.....		113,618	98,336
Profit before Tax after Depreciation of £31.943m (1970 £28.206m).....		41,673	52,145
Attributable to Ord. Shareholders after Tax.....		23,574	26,519
Ordinary Dividends.....		18,546	18,545
Amounts per 25p Ordinary Share			
Earned after Corporation Tax.....		8.739p	9.831p
Dividends.....		8.875p	8.875p

Recipients of the Queen's Award to Industry in 1966, 1969, 1970 and 1971.

## COURTAULDS

The Resolutions for the adoption of the Directors' Report and the Accounts, for the re-election of Directors, and for the payment of the final dividend on 22nd July were carried at the Annual General Meeting held on 14th July, 1971.

Copies of the full Statement and of the Annual Report can be obtained from The Secretary, Courtaulds Ltd, 19 Hanover Square, London W1A 2BB.





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## UNITED DRAPERY STORES

A group of businesses specialising in the manufacture, distribution and sale of consumer goods through department stores and multiple shop chains throughout Great Britain and Eire.

## TURNOVER AND EARNINGS AT ALL-TIME HIGH

Following is an extract from the statement by A. Sampson, Chairman and Managing Director, circulated with the Report and Accounts for the year ended 30th January, 1971.

## OVER £134M.

Turnover of £134m. was the highest ever and shows an increase of £14,146,000 or 11.3% on the previous year. Similarly Group Profits before taxation have shown a new record and at £15,087,000 show an increase of £1,024,000 or 7.3%. Profits after all taxes, depreciation, minority interests and a provision of £9,566,000 (£8,127,000), an increase of 17.7%.

## END AND SCIP ISSUE.

Board recommends a final Ordinary dividend of making a total of 21% (20%) for the year, and a one-for-ten capitalisation issue.

## A GROUP OF COMPANIES COMPRISING

1,200 Retail Shops and Stores, including John Galt, Alexander, Richard, John Blundell, Sweeney & Wells, Atteridge (Croydon), Arding & Hobbs (Clapham), Shimmers (Sutton), Whitely (Bayswater).

## OTHER DEVELOPMENTS.

We recently acquired a 75% holding in Korvett International Ltd., a retail business with 40 shops trading mainly as "Suede Centre". Korvett has been merged with the trading element of Sweeney & Wells and the combined businesses under single management should produce healthy growth.

## CHAIRMAN'S RETIREMENT.

After a service of 25 years to the Company, I felt the time was right for me to relinquish the office of Chairman and Joint Managing Director. However, my colleagues have suggested that I remain on the Board and accept the position of President, to which I am pleased to agree. Your Board have appointed Mr. Bernard Lyons, C.B.E., J.P., to succeed me as Chairman and Managing Director.

## CURRENT SALES.

Sales for the first 17 weeks of this year are 10.2% ahead of last year and I am confident that my successor will present you in due time with satisfactory results for the current year and that Members can look forward to the Company's continued growth.

## THE SEARCH FOR TRUTH

THIS CONTINUOUS dialogue between Stanhope Gate and the companies is dedicated to uncovering the truth in each situation. Businessmen like run-



Arnold Weinstock: leader of a tough team.

ning away from unpleasant facts, but Weinstock's approach is exactly that of a good financial journalist, determined to cut through half truths and vague generalisations. One of his great strengths is that he never believes anything, and himself says, "that all information is suspect."

So a great premium is placed on honesty in GEC. Rarely would a manager dare to tell a direct lie to Weinstock, but self-deception scores almost as badly. A manager is supposed to know what is happening, and his monthly accounts should only confirm what he already knows.

CASH DISCIPLINE RELYING SO MUCH on managers' honesty, and even leaving them discretion on how to prepare their own accounts and what to put into monthly reports, involves risk. To keep matters simple managers now have to put six standard ratios in every report. These are—

- i Sales to capital.
- ii Profit to sales.
- iii Profit to capital.
- iv Sales to stocks.
- v Sales to debtors.
- vi Sales per employee.

These are compared with budget and with the previous year, so that if time is short a manager's report can be cleared within two minutes.

But even this leaves room for fudging and window-dressing. "Is the declared profit really there?" is a question which big groups find as difficult to answer as investment analysts, and this is why GEC scrutinises cash as closely as profit.

Every GEC company has its own bank account. Bond sees a record of all cash balances every day. If a manager says he is making a profit but his overdraft keeps rising, then he wants to know why. The manager has no access to central funds, he is expected to cover normal capital spending out of depreciation, every month he has to pay a cash levy to head office based on his budget forecast, and this adds up to the most stringent discipline. This is the real control factor at GEC. "If you give managers access to cash then they never stop making their mistakes," Weinstock explains.

When GEC company goes wrong, therefore, the typical pattern begins with harsh questioning from Weinstock. Is the profit right? Is the long-term being sacrificed to boost the short-term figures? What about the stock? ("If a manager is not turning his stock over fast enough it's usually because it is not there or else it is all 50 years old.")

A manager who can produce convincing answers is given a run, but if his cash and credit are watched. If they fail to match his promises, suddenly he finds Weinstock and Bond in his accounts department going through his invoices and stock records.

OF course if we had a Weinstock in every single company, said one director, "and we'd be everything as it should be done we would be making £250 million profit a year. So we know we are not very good. But we do try to keep improving." And the GEC comment on one unco-operative associate was this, "If only we could get them to see how different things could be if only they made all the right decisions for two years."

There is in fact a great deal of advice available within GEC, again on an unusual pattern. Weinstock runs the companies, and nobody gets in his way. But at Stanhope Gate there is an umbrella of directors, who do not run companies, but offer specialist advice, keep the dialogue going and act as Weinstock's eyes and ears. Bond masterminds finance and David Lewis the legal and contracts work; chairman Lord Nelson is close to industry and big customers and Lord Aldington to the City; Tom Kerr, Ronald Grierson and Lord Trevelyan have a mass of overseas contacts while Bill Bird monitors massive multi-product contracts; Jack Scamp provides expertise on labour relations and joint deputy.

Sandy Riddell knows the British Electric inheritance backwards. All this is without administrative support. Stanhope Gate houses barely 100 people. Com-

panies have to do their own staff work and take their own decisions. But the directors are there to give top-level help, and at the same time to soak up information and opinions which find their way back to Weinstock.

## THE GEC STYLE

SINCE GEC is governed so much by continuous exchange of views, a GEC approach to management automatically develops. It means managers keeping themselves up to date on their own costs but not being charged with the unpopular burden of paying for head office costs. It means autonomy in day-to-day business whereas contracts, which bring the risk of big losses in the future, are subject to detailed scrutiny from above.

It means the maximum of informality—this year it has even been found possible to cut out the capital spending budget—and the minimum of paperwork. It is a simple, not a lavish, style—the doubling of output at AEI's old Rugby works was achieved by better organisation and moving work faster with hardly any spending on new plant. The conviction that existing facilities could be made to yield much more output explains both GEC's low capital spending and its willingness to get rid of so many inherited factories.

Technology is kept in its place. What is significant is not that GEC spends a total £60 million a year on research and development, but that £54 million of this is spent for and by the operating companies themselves, which means that line managers who have to prove that it is needed for the commercial health of their own companies.

Above all the GEC style means speed and decisiveness. Here is Weinstock on the thorny subject of factory closures: "Never mind

the pressure from other people, you must do what you think is right and that is that. You must not make the wrong decision because you are affecting a lot of people. But you want to get it done now and move on to build the next stage." Weinstock has the gift of making swift action seem inevitable.

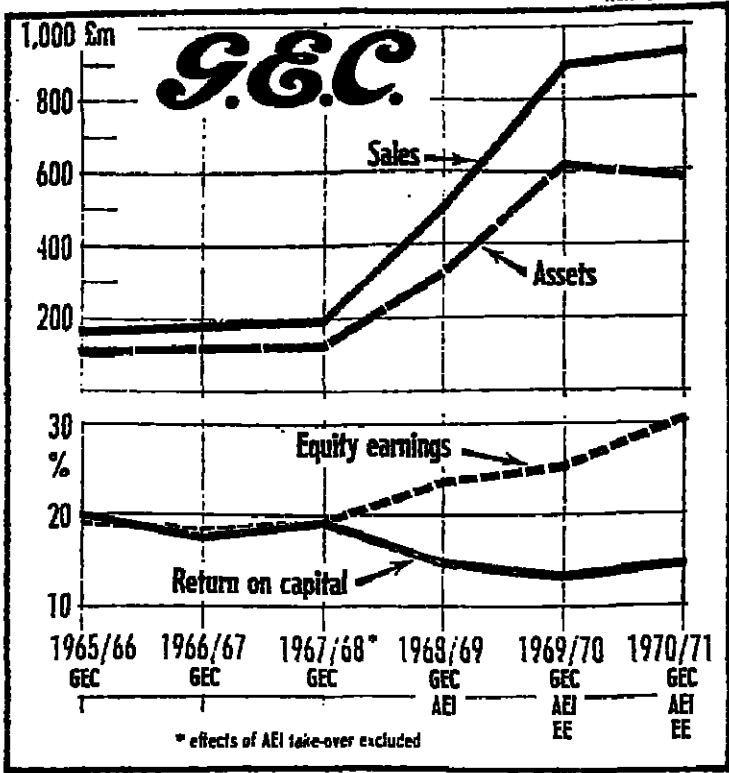
"If you make a careful assessment of a problem, and set out all the pros and cons, it is often perfectly clear which is the better course to take."

## THE GEC MEN

DESPITE THE dominance of one man, GEC is more of a team effort than most companies. Because bad managers have gone, good ones have emerged. They exist in their freedom and responsibility because if they did not they would not last. The feeling of being helped rather than hindered from above is strong. Because people know who is running what there are hardly any internal politics at GEC.

Weinstock spells it out in these unexpected words. "People must be unselfish. Everyone must feel his colleagues are working for GEC. They are going into the trenches together and they want to feel that they are all going over the top together. They should not have to look back to see if anyone is slacking or hanging back."

This is undeniably a ruthless attitude — although Weinstock would prefer to use the word "objective." If a factory only needs half its present labour force then the best way of halving that labour force has to be found. Managers are equally at risk. If they do not fit they go. But practice differs from the myth. "We never sack for ability—people are simply more



THE OLD GEC reached its peak of profitability in 1966. In 1967 it bid for AEI.

The return on capital employed immediately took a beating, although AEI was making profits and out of debt before the merger with English Electric had gone through in November 1968. By then the share price had soared to a peak of £1.83. As the chart shows, the total return on capital is still well below the old GEC levels.

But because of the advantageous terms on which both deals were done the interests of GEC shareholders have been preserved and earnings per share moved upwards without a break. The effect of converting £80 million of loan to equity next September will not seriously affect the picture. Nearly £33 million has been spent on post-merger rationalisation costs and the slate is almost clean.

For the future a steady further increase in profitability should be within reach. But it may not be dramatic. GEC is in too many problem areas—appliances, heavy plant, with stakes in computers and aircraft and nuclear power. It faces the giants of Europe and the powerful technology of the Japanese.

These will test its management to the full. But at a price of £1.39 GEC shares are at 18.6 times earnings, a rating only slightly above that of the market as a whole. The prospects deserve more than this and as a long-term investment the shares should be bought.

or less able—but for their approach to the job. If a man fails because of a weakness, if he is not frank, if he has self-delusions, if he is trying to use the business to bolster his own ego, if his overconfidence is rising and he goes off playing golf, then he is out."

It is still a rough school. But the men who have mastered the GEC approach, and are confident enough to live with the risks, are an impressive bunch of managers as I have ever met.

## ARNOLD WEINSTOCK

IF THE PERSONALITY of Arnold Weinstock is the key to GEC, it would still be wrong to think of him as some kind of superman. At the end of the day his contribution is simply this: an unflinching determination to find out the truth and then do the right thing.

For this he needs to be, and is, very intelligent and very tough. But there are plenty of people with those qualities in Britain.

Weinstock's unique characteristic is a kind of innocence—because he began at the top of a small company and has not personally worked his way up through the ranks of industry he has never learned to compromise his standards, to do things badly, or to master the hotch-potch of panic and muddle that passes for management in so many places.

But this still does not add up to a magic ingredient. There is nothing about GEC that could not be repeated in any other company, given the determination. There are any number of managers who could perform as well as the GEC managers given the same environment.

The tragedy is that most big companies are so organised as to make it virtually impossible for such an approach ever to develop. The highest test now facing Arnold Weinstock—one of which he is fully conscious—is whether he can preserve this spirit within GEC and bring to the top people who will themselves be able to carry it on when he has left.

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## PERGAMON PRESS

## The minutes of an extraordinary

On Tuesday, the inspectors appointed by the Department of Trade and Industry published the first instalment of their long-awaited inquiry into the affairs of Pergamon and the other companies associated with Robert Maxwell. It is a remarkable report, of far wider interest than the inside story of Pergamon. But the actual content of the report has had little coverage. Within hours of the publication of the report Maxwell called a Press conference at which he announced that he had issued a writ for "declaratory relief"—in other words asking for the report to be officially declared null and void. He also

threatened to sue for defamation the Department, the inspectors and even the witnesses heard by them. Finally, he accused the distinguished inspectors—Sir Ronald Leach and Owen Stable, QC—of unfairness, inaccuracy and of having conducted a "smear and a witch hunt."

Maxwell's activity had the effect of upstaging the inspectors' report in the next morning's papers. Certainly, the detailed evidence of the report, as opposed to its summarised conclusions, received very little coverage. Business News therefore gives fuller extracts from the report—available from the Stationery Office at £3.

ROBERT MAXWELL'S extreme dislike of the Department of Trade and Industry published the first instalment of their long-awaited inquiry into the affairs of Pergamon and the other companies associated with Robert Maxwell. It is a remarkable report, of far wider interest than the inside story of Pergamon. But the actual content of the report has had little coverage. Within hours of the publication of the report Maxwell called a Press conference at which he announced that he had issued a writ for "declaratory relief"—in other words asking for the report to be officially declared null and void. He also

He cannot be expected to welcome a report which says he is not fit to run a public company—indeed, he says it is a "smear and a witch hunt," and is trying to get it withdrawn. But he can scarcely be correct in saying that it savages him, while "letting the City Establishment down extraordinarily lightly."

Rarely, if ever, have inspectors appointed under Section 165(1) of the Companies Act submitted a report which is quite so scathing about quite so many important men and institutions. To summarise a few points:

● Michael Pickard, now managing director of the £100 million Trust Houses Forte group, is quoted as defending business standards which the inspectors think "leave much to be desired." He is said to have taken part in the switching of dates on legal agreements, and to have re-written the minutes of a meeting to give the impression that business was done at a time when it was not done. And he is said to have taken part with Maxwell in the declaration of an improper dividend.

● Sir Charles Hardie, chairman of the British Printing Corporation, is said to have helped draft an announcement which overstated twelvefold the value of assets put in by BPC when starting a joint venture with Maxwell—and then to have given evidence to the inspectors such as might have shifted the blame on to an innocent junior subordinate.

● Victor Bishop, a deputy-chairman of BPC until 1970, took part also. It is said, in drafting the same misleading announcement, and also was "less than fair" to the same subordinate at BPC. He is also said to have taken part in the declaration of an improper dividend.

● Angus Hewat, a partner in the solicitors Allen & Overy, was concerned in transactions when false dates were put on documents. Because of his firm's "impeccable reputation... in the City of London," the inspectors assumed that what he told them "represented the true position." Later, they say they found that it did not, and that he "could have been more forthcoming" in his evidence.

● Bruce Ormrod, a director of the merchant bank Henry Ansbacher & Co. was concerned in two takeover bids on behalf of Robert Maxwell and Pergamon Press. In one case, the offer documents contained a statement which Ormrod knew to be false, and in the other the documents contained a statement which was not factually justifiable and which was Ormrod's responsibility. (Ormrod has since resigned, and left the country.)

● Isidore Kerman, a solicitor of 44 years' standing and senior partner of Forsyte, Kerman and Phillips, was involved as a Pergamon director in both of these takeover bids. The inspectors say that he must share with Maxwell and Ormrod responsibility for the failings of the offer documents: they "did not find particularly edifying" his unjustified attempts to shift the burden onto another firm of solicitors.

As well as individual predilections, there are crowd

scenes, such as the "unhappy" meeting on August 21, 1969, at the offices of Robert Fleming & Co. merchant bankers. This was just after the US conglomerate, Leasco, withdrew its £25 million bid for Pergamon, citing, among other worries, the financial condition of the Pergamon/BPC joint venture, International Learning Systems Corporation.

Some of the accountants, lawyers and bankers gathered to advise Pergamon, to advise BPC, or to advise advisers about their advice, were probably somewhat weary and at odds with each other. (Fleming's were on the point of breaking their connection with Maxwell and Pergamon.) This, the inspectors think, helps to explain why the meeting produced an unrealistic public statement about the condition of ILSC, which declared that "the management accounts of ILSC show that it is now trading profitably."

"The fact is," the inspectors write, "that at this stage the truth about ILSC was most unpalatable. Its records and accounts were in a shambles... It is most unfortunate that a meeting attended by a large number of professional men of integrity should have resulted in a document which is so open to criticism."

### The firing of two executives

THE REAL significance of the inspectors' report is that it presents, coolly and factually, a startling picture of manners and methods in upper levels of British business. According to the inspectors, Maxwell is nearly always in the picture: they show him—among other things—using confidential information to sabotage business rivals, making misleading

statements to Pergamon shareholders, issuing a falsehood in a takeover operation, signing the minutes of a meeting which never took place, and pretending to be ignorant of adverse financial reports.

There are revealing human incidents, as well as large financial gambits. Here is the inspectors' account of the removal of two senior executives from ILSC:

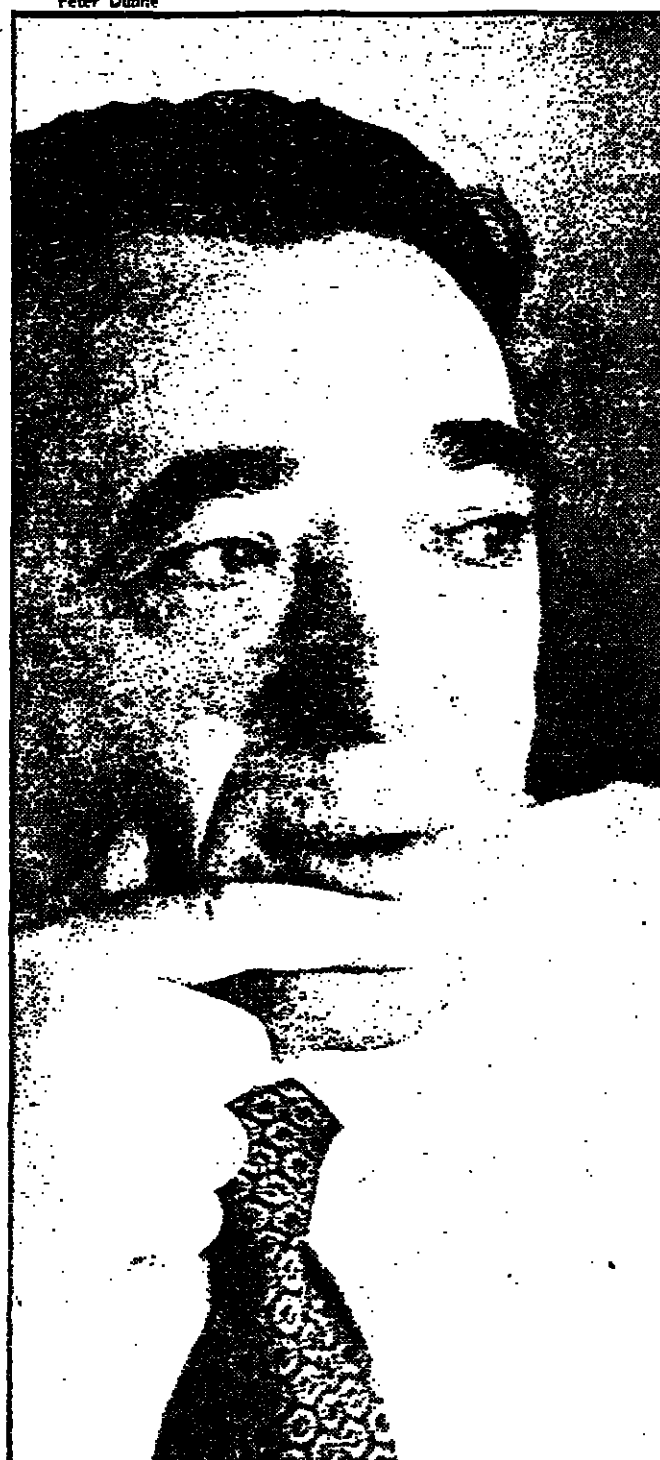
"On May 15 1968 Mr Maxwell removed Mr Le Bas and Mr Jenman from their appointments by dating resignation letters which he had required them to sign undated." (Le Bas was managing director, and Jenman his sales director; apparently, someone employed in Australia went to Maxwell with allegations against Jenman.)

"The terms of the letter of complaint are such that we would have been sceptical of it," write the inspectors. "But Mr Maxwell acted within the day (against both men) without asking them whether the allegations were true or giving them any opportunity to say anything about them."

The inspectors say that they do not think any allegations against Le Bas could have been made out, although they cite evidence suggesting that Le Bas tried to stand up to Maxwell. One year later, recounting the history of ILSC to Leasco, Maxwell said Le Bas was fired because he was "too fond of liquor." The inspectors believe that at the time of his dismissal Le Bas was "an abstainer."

Last week, Maxwell himself was complaining that he had been denied "natural justice," although he had five weeks to refute the inspectors' report before it came out in public.

This report deals only with Pergamon's affairs insofar as they are affected by ILSC: others will deal shortly with Pergamon accounts in wider terms. It was, according to



Robert Maxwell in reflective mood and (right) at last week's Press conference



the inspectors, Maxwell's own wish that ILSC should be treated first. Their report begins with the circumstances in which Maxwell went into the encyclopedia business in partnership with the British Printing Corporation.

### The sabotaging of Caxton Publishing

CAXTON PUBLISHING in 1966 was making trading profits, although it was rather short of ready cash. The firm, run by Hedley Le Bas, grandson of the founder, sold the New Caxton Encyclopedia, and this was clearly a threat to the 4th Edition of Chambers's Encyclopedia, published by a Pergamon subsidiary, Buckingham Press. "It was not surprising that Pergamon... wanted to acquire Caxton."

And in May 1967, Ansbacher's, bankers acting for Pergamon, made an offer for Caxton Holdings which was successful. It amounted to £1 for each preference share and 8s for each ordinary share. Le Bas complained to the inspectors about the background to this deal, saying that Maxwell obtained confidential information about Caxton's business by employing a person to whom Caxton had given notice that he used that information to sabotage Caxton's South African business and that having done so he opened negotiations to buy Caxton at a time when Caxton was handicapped by the virtual destruction of its business in South Africa.

Maxwell denied there was "a scintilla of truth" in this. However, the inspectors found that "about the time Buckingham brought out the 4th Edition of Chambers's Encyclopedia, Mr Maxwell engaged the services of a Mr L. C. Schilling, who had been secretary of Caxton." Then, at the end of 1967 Maxwell arranged for the head of the Caxton sales force in South Africa to come and see him—and in February 1967 sent a Buckingham vice-president, Philip Harris, to South Africa.

Harris told the inspectors that Maxwell wanted him to "knock off the Caxton sales force in South Africa," to bankrupt Caxton so that would buy it cheaply. Maxwell, according to Harris, knew Caxton's vulnerable point in South Africa:

"A rather precarious financing arrangement... if their sales fell below a certain level for a period of time, guarantees fell due in London, which they would not be able to meet."

The inspectors also record that "Mr Harris told us... that the source of Mr Maxwell's information was Mr Schilling," and that Harris was able to switch the whole Caxton sales force over to selling for Buckingham in just 48 hours.

The inspectors questioned Schilling about Maxwell's sources of information:

Q. Where do you think that Mr Maxwell got all his information...?

A. Mr Maxwell has his own means and methods. I just do not know. He was a very well-informed man; there is no question about that.

Q. What would you have done

if Mr Maxwell had asked you to disclose something which you had come by as a result of your appointment as Secretary to Caxton?

A. I would have said "I am sorry, I do not know." Asked to describe Mr Maxwell, Mr Schilling said: "He is tough, hard... One never knew quite what was behind some of the decisions that he made."

The inspectors say: "We do not find Mr Schilling a very convincing witness."

Le Bas told the inspectors that the destruction of Caxton's business in South Africa cost him the difference between 8s and 10s a share. Whether this was accurate or not, Le Bas "must have been at a considerable disadvantage in the negotiations."

Michael Pickard was an interested observer, as finance director of BPC, printers to both encyclopedia firms, and he felt that although "the Caxton management were tending to be poached... it was a perfectly standard commercial tug of war." This, the inspectors say, "seems to use to depend on where you maintain your standard."

Another disadvantage for Le Bas was that he did not know where BPC stood. The offer documents issued by Ansbacher's said that Pergamon did not have any agreement to transfer Caxton shares to anyone else—but in fact Maxwell was negotiating to sell 50 per cent of Caxton to BPC as soon as he had acquired it.

Le Bas went to Pickard for advice about the bid, and to see if BPC might be interested in bidding against Maxwell. Pickard said BPC could not make a counter-bid, and advised Le Bas to take Maxwell's terms. Neither Pickard nor Maxwell revealed to Le Bas that they were already negotiating with each other.

Le Bas considered his treatment by BPC "abominable," and the inspectors conclude that Mr Maxwell was responsible for Caxton shareholders being misled. But Caxton was taken over by Pergamon: the first step towards the formation of ILSC.

Although the joint venture actually started operating in mid-1967, the legal agreements which set it up were not finally executed until March 1, 1968. They were then dated as though they had been executed in December, 1967, and Pickard altered the minutes of

a BPC subsidiary to fit in with the pretence.

"It is conceivable that those principally concerned—Mr Pickard, Mr Hewat (of Allen & Overy), and Mr Di Biase (of Forsyte, Kerman & Phillips)—thought that by making the agreements executed on March 1, 1968... appear as if they had been executed in 1967, argument with the auditors and the Inland Revenue would be avoided... Whilst we think there was an element of deception, we are satisfied that there was no intention on anyone's part to defraud... (The inspectors conclude that Mr Hewat regretted having done this, and did so only to expedite agreement on the matter.)

Delay and complexities may have arisen partly from the fact that both BPC and Pergamon, instead of doing the deal directly, were acting through normally-dormant subsidiaries "for tax reasons," the nature of which is not explained.

On August 17, 1967 (i.e., when the joint venture started

up) Pergamon and BPC a joint Press statement d ing ILSC to the business munity. The inspectors ment very adversely o statement, because it sug that BPC was putting worth £600,000 into (They seem to take th that because Press stat actually affect market o they must be treated: scrupulously as more business documents.)

BPC did transfer stock to the new compan the rest of the £600,000 sisted of debts owed 1 by ILSC's ancestor, Publishing. The deb- mained payable to BPC remained assets in BPC ILSC. Neither Di Biase Hewat were very happy such "assets" produ public, but they did no their objections ver "Those responsible for ing the Press statemen not particularly forw claiming authorship," s inspectors.

Q. (To Pickard) I kn took no part in drafting t release, because you had; to Le Touquet... Wh returned... were you about what had been pu A. I must admit I remember being very wor its contents... I thought luck to anybody who unde it," but by and large it f what we had done.

Sir Ronald Leach a Charles Hardie—possib two most eminent acco in the country—did n eye to technical eye o- Q. (from Sir Ronald L think there is confusion i cash flow here and actua transferred.

A. (Sir Charles) It is a of the... Q. (Sir Ronald) I do a they were released, you unless the debt was ca... I imagine you did into this in any detail time?

A. (Sir Charles) No, no recollection of that. The lawyers' a emerges in the evid D.J. Biase:

Q. How did it come ab A. I am absolutely that it was at his (Hardi tive that the figure sserted...

Q. And you and Mr what is your recollection reaction? A. Well, we said "clearly not so. This is as that is being trans. But Di Biase said he and were "brushed aside by cerned."

Mr Maxwell recalle occasion in blunt terms, the inspectors that: "T kicked up a rumpus abou thing."

Only when he was through the argument by Stable, QC, did Maxwell realise the implications:

Q. As I understand it t debt remained, albeit fr the books. A. Quite right. Q. One of the things I: prised at is, you did n it out of the books, bec you mentioned the £600,000 included the debt— A. A very good point right.

Continued on opposite 1

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# General shambles and disaster

## PERGAMON PRESS

Continued from previous page

I may say so, I am sure to see you miss such a slip quite right. I can see the if these inquiries. ing strongly criticised ce from Sir Charles and Victor Bishop suggested that the error have been caused by a accountant, the Inspect- conclude: "This is an a factory story, and the re is confused. We do id that the error and resentation arose out of A false impression was or conveyed and we having to say that this example only of the al and unbusinesslike r in which the affairs of vere carried on."

### dividends that e out of nowhere

INSPECTORS RECORD on October 11, 1967, it announced in the Press "Pergamon proposed to through Ansbacher's, to acquire all the issue of Butterworth & Co." w publishers). The offer ut on October 23, 1967, move was greeted with enthusiasm in the finan- cess. John Davis in the er quoted Maxwell as that this was the first e had really challenged tablishment in public."

Inspectors draw "par- attention" to one sen in the offer document, was signed by Bruce d, a director of Ans-

e Board of ILSC has in- Pergamon that sales rofts for the first three s of operations are run- t the level forecast when angements were nego-

"arrangements" were out, in the Inspectors' as to give a reader of the document the impression the newly-formed ILSC uranted to make at least 00 profit a year.

profits of ILSC were relevant to the Butters offer, since Maxwell ffering either Pergamon or cash to the Butters' shareholders; and ILSC e owned by Pergamon, SC was indeed making profits, this would make re attractive to accept non shares in exchange urtherworth shares.

Inspectors first asked rmod about the source s statement: "I am told categorically by axwell," he replied, "that obtained this information ting from ILSC. I was at n not getting a copy for n records."

Inspectors cite evidence about the report to sug- hat Maxwell was in fact fiding force at ILSC. But Bishop, who represented s chairman of ILSC, gave ce that "the manage- information of ILSC was lar and insufficient until March or April, 1969."

J. Pollock, a director C, was asked by Mr Owen whether the board of



### SOME OF THE TOP BUSINESSMEN WHO GAVE EVIDENCE TO THE INQUIRY

**MICHAEL PICKARD** was finance director of BPC when BPC went into partnership with Maxwell. Now managing-director of Trust Houses/Forte, at 38, is "one of the most powerful young men in British industry" (Sunday Times, 1970). Doesn't believe in "long-term profits, but that "does not mean I don't plan ahead."

**BRUCE ORMROD** was joint managing director of Henry Ansbacher, the merchant bank which floated Pergamon and acted for the Beatles in their attempt to get a controlling interest in Northern Songs in 1969. He joined Ansbacher in 1956 after seven years in the South American oil business.

**SIR CHARLES HARDIE**, chairman of BPC, former chairman of BOAC and the White Fish authority—"the City's super-accountant." Chairman of the Vokes Group and director of several other concerns. Says: "I wouldn't take on anything I hadn't got time for," and claims a photographic memory.

**RICHARD FLEMING**, 60, is the younger brother of Ian and Peter. He is chairman of Robert Fleming and Co, merchant bankers to Pergamon in succession to Ansbacher's. Fleming's investment section has been described as the "largest single investor of money in this country" (Times, September 23, 1968).

**ISIDORE KERMAN**, solicitor, and Maxwell associate of some 15 years' standing. Articled in 1927. Mr Kerman used to be on the board of Jack Cotton's City Centre Company, but was removed soon after Cotton's death in 1964.

**VICTOR BISHOP**, an accountant, succeeded Wilfred Harvey as managing director of BPC in July, 1966 at a salary said to be over £17,000. Aged 50, he was previously with Massey Ferguson and a director of Perkins engines. He resigned from BPC in June, 1970 after "differences of opinion."

ILSC would have been capable in the autumn of 1967 of informing the board of Pergamon about profits for the first three months of operations. Pollock said:

"I would have thought we could never have made a statement of that kind."

The Report cites a minute of an ILSC board meeting on September 17, 1968, which recorded that Maxwell had been informed by the auditors that "the whole of the accounting and book-keeping of ILSC was in a deplorable state and that in the months of July, August and September, 1967, insufficient records had been kept by some overseas branches."

The Inspectors conclude that the management of ILSC did not have reliable information at the time of Pergamon's offer for Butterworth, "and that Maxwell was aware of it at least before the final date by which the members (i.e., shareholders) of Butterworth were required to have delivered their acceptances."

The joint auditors to ILSC, Cooper Brothers and Chalmers Impey, confirmed the inadequacy of information.

The Inspectors heard evidence from a Mr G. A. Hazard, a chartered accountant who resigned as secretary of ILSC in March 1969 "because some accounts, which he had prepared under Maxwell's direction, were in his opinion misleading." Hazard produced to the Inspectors:

"A report that I did for Maxwell when I arrived on the state of the books and they were in a very serious state. We in fact decided, because they were so bad, to rewrite or reconstruct the books for the whole six months."

Mr H Moppel became financial director of ILSC in December 1967. The Inspectors asked him what accounting and management information he found when he took up the job which had been available to the board. He replied:

"The simple answer is none whatsoever."

who were also ILSC directors were Maxwell himself, and Isidore Kerman. Kerman was asked to comment on the statement that "during the first three months' operations nobody had the foggiest idea of how the profits were running." He said:

"Well, I do not agree. As I said, I think every month we had detailed figures, and I have no doubt they showed the company was making a profit at the time."

The Inspectors write: "In his evidence, Mr Maxwell insisted that BPC had been sent a copy of the Butterworth offer document. When told that Mr Pollock had specifically denied having seen it . . . and when told that Mr Hewat (BPC's solicitor), had said . . . and when had never seen the offer document, Mr Maxwell said:



Hedley Le Bas: fired by Maxwell

"I am amazed. That is all I can say. It is incomprehensible to me."

On the same point, Maxwell said:

"I want to say I have a feeling that on that very thing had Mr Bishop and Mr Pollock or Pickard, or all three come to Pergamon at 4 Fitzroy Square, to see this prospectus, and I may even have something with his writing on it on Butterworth, very specifically because Ansbacher's wanted me to be absolutely certain that BPC saw it."

Q: They saw it?  
A: Yes, and agreed."

The Inspectors comment that the following denial was made on

behalf of BPC in the presence of two directors, the company secretary and the company's solicitor: "Absolutely not, we never saw that."

The Inspectors asked Maxwell to tell them how the board of ILSC informed Pergamon about sales and profits for the first three months:

Maxwell: "The recollection that I have is that this circular like any other as it mentioned ILSC went to Mr Bishop. I believe he and Pickard, or he and Pollock, or all three, came to Fitzroy Square, and saw this circular and approved it. Now you will recall that in the hunk of transcript which you read, Mr Bishop says words to the effect that this must have been the same thing as on the occasion of the News of the World (a takeover attempt by Pergamon in 1969) when I sang up Hill Samuel, and said BPC cannot associate ourselves with it."

Q: Yes.  
A: Well, you have here immediately a very good independent source to check that statement of Mr Bishop's by, by going back to Hill Samuel."

Q: Hill Samuel were the bankers for the British Printing Corporation. . . . the partner handling the matter . . .

Q: MacDonald.  
A: Absolutely right. . . . I cannot believe he would have released a document saying that the ILSC board had approved of something, when the managing director of the parent company and a member of the ILSC board—he would have been in gross dereliction of this duty and I cannot believe that Mr MacDonald or anybody else would maintain.

Q: (Mr Stable) wait a minute. I think we are going at slightly cross purposes.

Q: (Sir Ronald Leach) I think that you are moving on to the News of the World. . . .

Q: No, I was not, I was merely dealing with the analogy he gave in the hunk of evidence which you read out. . . . I was merely drawing attention to the fact that this analogy, as I do not have. . . .

On a later occasion he was asked whether he had been able to find any letter signed by a director of ILSC informing the directors of Pergamon that the sales and profits for the first three months of operations were up.

"Not yet."

### The figures that weren't mentioned

Finally Maxwell did cite a document: a report by the Pergamon auditors, Chalmers Impey, on the profitability of Caxton, one of the components of ILSC.

The Chalmers Impey report was July 31, 1967, which fits as the only document to that date showing profits for Caxtons for the 53 weeks' period ending June 30, 1967, at £227,734. So I can now find the Buckingham calculation. After I found these papers I merely know what the basis is, I have got to relate them back to ILSC and what was the back-up for the statement that the Board of ILSC informed Pergamon, who did the informing and how was that done. I am sorry we are still a bit off."

Chalmers Impey, according to the Inspectors, could not trace any such report. Then on March 19, 1971 Maxwell's solicitors—now Lewis Silkin & Partners—sent to the Inspectors:

"A copy of a letter dated July 31, 1967 written by Chalmers Impey to the directors of Pergamon. This letter was not concerned with the profitability of Caxton. . . . Nowhere in the letter is the figure of £260,000 or £227,734 mentioned."

Remarkably, dividends were produced out of this sadly disorganised company (which was found, when its reports were finally audited, to have made a trading loss of £3,687,000 between the start of the joint venture and October, 1969). The Inspectors write:

"There are two minutes in the minute book, both signed by Mr Maxwell, purporting to be minutes of two meetings said to have been held on December 29, 1967. The first states that the Chairman reported that owing to the long process of integration in ILSC the accounts for the 53 weeks ended the 30th June, 1967, were not ready to be considered. The second reads as follows: Payment of Interim Dividend It was resolved that a first interim dividend of £200,000

be paid on account of investment. . . .

We are of the opinion that there was no board meeting at which it was resolved to pay the first interim dividend. . . .

... We can find no justification for the payment of the first interim dividend on December 29, 1967, nor for the manner in which the decision to pay the dividend was made. In our opinion Mr Maxwell and Mr Pickard were the directors responsible. . . . they were determined that a dividend should be paid so that the profits of the two parent companies should include a return on their investments in ILSC. . . .

On June 4, 1968, the board held a genuine meeting, and resolved to pay another interim dividend: this time of £157,500 for the six months to June 30, 1968. The Inspectors comment on this dividend:

At least the declaration of it was made at a board meeting, although . . . there were no accounts produced to the meeting according to the minutes. . . . To justify the payment of the second interim dividend there should have been a cumulative pre-tax profit of approximately £723,000. . . . In our opinion there was not sufficient information available to the Board . . . to have concluded that such profits had been made. . . .

Possibly the most wondrous paragraph in the report is No. 180, which deals with the

capital structure of ILSC. Even though there is not room to fully elucidate it, it is worth quoting:

"In our opinion the middle and confusion which resulted in the shareholders of BPC being told that BPC's holding was 2,000,000 shares of 10s. each, while the shareholders of Pergamon were told that Pergamon's holding was 1,000,000 shares of £1 each, at a time when some of the shares were held by Caxton Holdings and there were no £1 shares, shortly after BPC and Pergamon set their seals to a deed reciting that each held 1,000,000 shares of 10s. and 500,000 of £1 each, again at a time when some of the shares were held by Caxton Holdings and none were £1 shares, stems from and was caused by the fact that no meeting took place on January 30, 1968, of the Board of ILSC at which it was resolved that the authorised share capital of ILSC be increased from £1,000,000 to £2,000,000 and are of the opinion that no Extraordinary General Meeting took place on that day."

We think that the minutes were brought into existence to clothe with some semblance of formality a decision between Mr Maxwell, whose signature appears on the minutes, and BPC, taken without any regard to the restrictions on the powers of the directors of ILSC as set out in the Articles of Association, without regard to the method of altering the capital as set out in

the Articles of Association and without regard to the views of other members of the Board of ILSC."

(Just before it was absorbed into the joint venture, Caxton Publishing reduced its reserves, rather surprisingly, to nil. The £47,453 thus released was paid out, on Maxwell's authority, as a final dividend, which never came to the knowledge of the BPC directors.)

### When Leasco bid £25m . . .

THE INTERNAL CONDITION of ILSC was of course still secret in summer 1969. And when Saul Steinberg's Leasco made its £25 million bid for the Pergamon group, ILSC was still thought to be a promising Maxwell brainchild. On May 17, 1969, Maxwell wrote to Bernard Schwartz, president of Leasco, and dealt among other things with prospects for ILSC. The Inspectors quote from the latter, and criticise it:

"(a) BPC have recently been doing all they can to depress the value of ILSC in the hope that they might buy it cheaply; a consequence of this is that the price of Pergamon shares has been adversely affected. ("We have not come across a scintilla of evidence to justify this statement, Mr Maxwell . . . produced none."

"(b) For the first year the business was being run with my consent by the founder of Caxton Publishing Company, and the protégé of BPC, Mr Le Bas, whom I had to fire because he was too fond of liquor. . . . It was not until after the battle for the News of the World towards the end of last year (1968) that I realised the inadequacy of the then management. . . . I then took on . . . the day to day management." (The Inspectors declare that liquor had nothing to do with the firing of Le Bas, who was an abstainer at that particular time. They also say it is "not true" that Maxwell only took over active direction late in 1968.

"(d) I also enclose . . . a copy of the first quarter's management accounts and profit forecast prepared on a most conservative basis." ("We have not found a single item of any forecast or management account which has been drawn on a conservative basis."

"(e) If it were not for BPC's fear of me (because I attempted to take them over last year) and their consequent desire to sever the partnership, then I doubt we would have had any difficulty over the accounts. ILSC made a substantial profit for its first 18 months of trading. If, as is the American practice, ILSC capitalised for the shareholders approximately half of the £2 million expended in the trading period for developing and opening up new territories . . . then ILSC will show a profit of about £300,000. If, however, UK practice prevails, whereby we write off the bulk of this development expenditure . . . then we shall end up making neither a profit nor a loss, but our profits will of course be enhanced in 1969, 1970 and 1971."

The Inspectors write that this paragraph was "recklessly optimistic. . . . Mr Maxwell must have known that the differences over the accounts had nothing to do with BPC's fear of him or their desire to sever the partnership. The differences over the accounts were due to ILSC being unable to produce them in an audit able state. . . . When audited accounts were eventually produced they showed that ILSC made a loss of £2,598,000 in its first eighteen months trading and that the accounts for the next nine months showed further losses of £1,089,000 in that period. In these circumstances, we think Mr Maxwell was not justified in writing 'ILSC made a substantial profit for its first 18 months trading.'"

"We do not think there was ever a moment of time when ILSC was 'running well.'"

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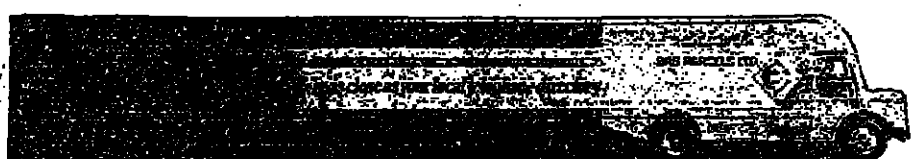
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This appointment heads a section of Engineering Services concerned with application of mechanical and electrical engineering. This involves the design, construction and maintenance of docks and warehouses, electrical and hydraulic installations, vehicle fleet maintenance and, in particular, direct control of six Plant Units which hold plant and specialised floating craft for the maintenance of the canal system nationally. Previous experience in any of the following fields would be advantageous: computer studies, plant maintenance programmes, optimum plant utilisation, mechanical design and specification, budgetary control of expenditure, fluid mechanics, marine craft design.

There are good conditions of service including luncheon facilities, a contributory superannuation scheme with interchange arrangements, a generous scale of subsistence allowances and a car mileage allowance for official use.

Applications stating age; detailing experience and qualifications; present post and salary; should be received by the Regional Personnel Officer, British Waterways Board, "Willow Grange", Church Road, Watford, WDF 3QA, by Wednesday, 28th July, 1971, quoting reference 34/54.

### SOUTH AFRICA

## Regional Bus Engineer

Engineer required for passenger transport organisation responsible to Chief Engineer for efficient maintenance and overhaul of 300 buses.

Applicants should be aged between 35 and 45; should have been in similar responsible position with bus or heavy transport company; qualification: H.N.T.E. or H.N.E.C. desirable.

Salary up to £5,000 p.a.

Assisted passages: Car provided

Please send details of qualifications to: Talgate Holdings Ltd., Electra House, Victoria Embankment, W.C.2.

### Confidential Reply Service

Give full details of your qualifications, past career and present salary. If there is any company to which we should not forward your reply, inform us accordingly but separately.

### SENIOR MECHANICAL/NUCLEAR ENGINEER FOR DESIGN

The ideal candidate will have had 5-10 years' experience in managing a design team and be familiar with the practical problems associated with the design, construction and operation of Thermal or Nuclear Power Stations. Coupled with this broad background, he should preferably have a degree. He should be prepared to travel, with the possibility of working overseas.

### SUPERVISOR, QUALITY CONTROL

The successful applicant will have had a broad inspection experience of pressure vessel fabrication and general mechanical engineering, with recent experience of running Quality Assurance Programmes. A corporate membership of one of the major institutions is desirable, along with familiarity with current N.D.T. practices.

These positions carry very attractive salaries with excellent working conditions and benefits.

Streets Advertising Ltd.,  
Vacancy Code No. W1/C, 37-41 Mordimer Street, London, W.1.

## MANUFACTURING MANAGER

Around £4,500

A challenging opportunity exists for an experienced production manager to head up a unit of some 600 people engaged in the processing and packaging of high-volume convenience foods. We are looking for a man aged 35 to 45 with a technical qualification at degree level, where engineering would be an advantage. He must have been successful in a senior production position, and ideally also in a related function, in a major consumer goods company in the U.K., preferably engaged in food manufacturing.

An enlightened approach to the management of people at all levels, including experience with trade unions, is a fundamental requirement, together with proven experience in the development and use of sound controls, and the application of modern industrial engineering techniques. Contributory pension scheme with free life assurance and other attractive benefits. Applications, please, with personal details including education, training, experience and salary progression, quoting ref. 7230 to: R. F. Scott, Group Appointments Adviser.

J Lyons Group of Companies

Canby Hall London W14

هكذا في الاجل



# crisis of the schoolroom dole queue



THOMAS  
HICKMAN

bit of thoughtful forward planning and kill two birds with one stone now," the TUC spokesman said. Employers did, in fact, agree to do that during the so-called "bulge" of the 1960s. But, as a CBI spokesman points out, unemployment levels were much lower then. "It will be uncommonly difficult to take on more youngsters now in industries where adult unemployment is high," he said.

One of the perennial and long-term problems is that many youngsters leave school totally unprepared for any career or hoping for work for which they are completely unsuited.

The answer lies, some believe, in much earlier vocational guidance in the schools. One firm advocate of that course is Harry Dawson, chairman of the National Association of Careers Teachers and a deputy headmaster of Sheffield's Earl Marshall comprehensive school.

He wants to see the establishment of a national careers service in which carefully-structured career counselling would begin in secondary schools and be offered to all pupils from the age of 11 on. Now, not more than a quarter of Britain's secondary schools are thought to have careers teachers and, among those, few have the needed time or training for the task.

Better vocational guidance in future, of course, does not solve the problems immediately facing youngsters and their anxious parents. Clearly, parents would be wise to discuss with children the wisdom of their remaining on at school until the prospects for their employment show signs of tangible improvement.

Local employment services will be helpful now in measuring those prospects in your area. Unfortunately, YES careers officers are hopelessly overworked and will be unlikely to spend much time on any single case.

But another helpful source of information on your local employment picture might be the personnel departments of your principal local employers. They will certainly be able to advise you on changes in their own needs. And many companies run excellent training schemes for children with appropriate "A" levels.

Youngsters might also usually explore during their school holidays the opportunities for vocational training elsewhere and, again, local employment officers can be helpful here. Robert Carr announced last week, for example, that he would launch experimentally at three unnamed North Eastern colleges of further education special vocational courses for this year's school-leavers.

They are expected to begin this winter.

Next week I will deal in greater detail with these problems and how you can beat them.

## General Appointments

## Accountancy & Finance Appointments



## There's a future for you in ACCOUNTANCY

### Become a Certified Accountant

in Public Practice  
in Industry and Commerce  
in the Nationalised Industries  
in the Public Service

You are not obliged to serve under articles of clerkship but may obtain your practical experience as an accountancy trainee in a commercial or industrial company, in one of the nationalised industries, in the public service or in the office of a practising accountant.

Alternatively you may study by means of a full time course at an approved college of further education and carry out your practical training after completing the professional examination.

The Association publishes a number of careers booklets and you may obtain copies from the Secretary on request.

### THE ASSOCIATION OF CERTIFIED ACCOUNTANTS

22 Bedford Square, London WC1

## Malaysia-Singapore Airlines

### MANAGER-CONTINENTAL EUROPE

• MSA has an enviable record of growth and profits, based on excellence of service. An expanding network of offices in Europe reflects the importance of this area to the Airline.

• RESPONSIBILITY will be direct to the Head Office in Singapore, for the control and further development of all activity on the Continent, from a base in Zurich.

• THE role calls for experience at top level in airline administration, with an emphasis on marketing. A command of English, German and either Italian or French is essential.

• REMUNERATION in Swiss Francs is negotiable and will be not less than Sfr 5,000 per month.

Write in complete confidence to A. Longland as adviser to the Airline.

JOHN TYZACK & PARTNERS LTD

10 HALLAM STREET - LONDON W1N 6DJ

## Management Consultancy Accountants

Deloitte, Robson, Morrow & Co. are looking for Accountants with industrial experience for appointment to their staff as consultants. They will be employed on assignments concerned with information systems, corporate planning and financial and economic problems. At times, they will be included in teams engaged in work on EDP, administration, and general systems. Clients are in industry, commerce and government in the UK, Continental Europe and Africa.

This is an excellent opportunity for men of about 30 who wish to speed their careers by gaining wide experience in these fields across industry. It also presents the opportunity to develop challenging long-term careers. The work is exacting but the rewards both in job satisfaction and salary are high.

Apply in confidence, giving brief details and quoting ref. 309/SA, to:- The Recruitment Manager, Deloitte, Robson, Morrow & Co., 17th Floor, St. Alphege House, 2 Fore Street, London, EC2Y 5DT.

## Finance Director

W. YORKSHIRE c. £6,000 + CAR

The company is engaged in the design and contract supply of capital equipment. Internationally known, it has a multi-million pound turnover and is part of a major British organisation.

A qualified accountant is required and the age preference is 40 to 45. He must have:-

- the ability to guide the board on financial aspects of policy;
- experience of negotiating the financial arrangements for medium to long term contracts;
- detailed knowledge and experience of modern contract costing and control techniques;
- the personal qualities necessary for representing the company in high level negotiations.

Write in confidence quoting reference D/1260/Y to: E. W. Cornford,

Peat, Marwick, Mitchell & Co., Management Consultants, Suite 401, Salisbury House, Finsbury Circus, London EC2M 5UR



## P-E Consulting Group Limited

Appointments Division, 12 Grosvenor Place, London SW1

Separate interviews will be conducted by the appointments consultant named and by a specialist in the industry, profession or function concerned.

## Paper and plastics conversion

### Production Director

An experienced Production Director who is prepared to tackle a tough but rewarding job, is sought by a well-known company which is part of a major group of international companies and a market leader in its field. He will be responsible to the Managing Director for all manufacturing functions in a well-equipped factory.

Applicants, aged 35-45, must have successfully managed, at senior level, a paper converting or plastics processing unit

on shift work, desirably in a multi-machine, high volume output environment. Experience of negotiating with a strong union representation and a sound knowledge of work study and modern management methods are also essential. A substantial starting salary will be negotiated and promotion prospects are excellent.

Please write, in confidence, to M. Lomas (Ref: L/913/3)

## Welding Equipment/Metal Fasteners

### Marketing Manager

A profitable and vigorous organisation with strong international connections wishes to develop European operations with a view to closer co-ordination of its marketing activities in England, Belgium and Spain. A marketing specialist is sought who will operate initially from Surrey under the direction of the Managing Director U.K. to determine the most appropriate markets for the full exploitation of the group's assets and then lead the marketing operations throughout Europe. This is a challenging assignment with excellent prospects for a qualified engineer who has

successfully held a senior marketing post for several years. He will be in his mid-thirties; desirably he will have a mechanical or electrical engineering diploma or degree and a knowledge of ship construction and repair would be advantageous. He must have fluent French. A starting salary around £3,500 will be negotiated, a suitable car will be provided and there are other benefits such as a pension scheme.

Please write, in confidence, to R. Varrill (Ref: V/987/3)

# Credit

## Customer Accounts Manager

Around £4,000 p.a.

Hertz is big business. The acknowledged world leader in vehicle rental.

In the UK alone we have 8,000 cars. As an indication of our growth, we intend to double this figure by 1973.

A business this size generates a high volume of credit transactions on a national and international scale. Our customers want to pay that way today.

In order to maintain a high standard of customer service we want a Customer Accounts Manager who can make our existing system work even better than it already does.

He'll then develop an improved system to cope with a greatly increased volume. He'll be directly responsible to the Financial

Controller for the collection of all accounts due to the company for goods or services rendered.

He'll have a man-sized job, 15,000-20,000 invoices per month, the maintenance of all accounts receivable and a substantial Credit Card department.

No mean feat, but he'll have a department of 30 people to help him, and a computer. He needn't have an accountancy background but he must be fully conversant with both the advantages and the limitations of computer applications in this field.

The appointment carries a salary of around £4,000 per annum, plus generous fringe benefits including a company car.

Please write or telephone for an application form to: Paul Burns, Personnel Manager, Hertz Organisation, 279 Balham High Road, London, S.W.17.

Tel: 01-672 0011.

**Hertz**

## GROUP FINANCIAL DIRECTOR

for a public company located in Essex having a turnover of around £3m. from its activities in electrical and mechanical engineering. He will provide financial counsel to the Board and from a sound practical base be able to initiate or improve budgetary or cost controls in the subsidiaries. Candidates should be Accountants of senior status, having had both professional and industrial experience in a responsible position. Experience in corporate planning would be an added advantage. Remuneration and conditions of service are negotiable.

Reference: 30645/ST (C. B. Corner)

All letters will be treated in strictest confidence and should be addressed to the consultant quoting the reference number.

## Executive Selection Division

910 COVENT HOUSE - OLD COURT PLACE - LONDON W1N

## TANK ACCOUNTANT (A.C.C.A./A.C.W.A.)

good knowledge of budgetary control and cash recasting at our Head Office at KNIGHTSBRIDGE, LONDON, SW1X 7LP.

Age 25-35. Salary range £2,300-£2,800

to experience. Apply in writing with a brief curriculum vitae to:

G. E. Lavis, Company Secretary, Paktank Storage Co. Ltd., at the above address.

## Company Secretary

for

L.R. INDUSTRIES LIMITED

a major division of

L.R.C. INTERNATIONAL LIMITED

The position would suit a member of the legal profession or a chartered secretary aged 30 to 35 who has had practical experience in the Secretariat Department of a large commercial or industrial company. The successful candidate should be able to demonstrate a proven ability in the field of company law, and should have some experience of patents and trade marks, insurance, statutory enactments, contracts concerning the business, and the general administration of a Secretariat Department.

Prospects, as one would expect in a thriving organisation, are excellent. The Company Secretary will also act as Assistant Company Secretary L.R.C. International, and in such capacity be responsible to the Group Secretary. In addition, he will be Secretary of several non-trading companies in the Group.

Our headquarters, sited at Chingford, are the focal point for the Company's activities, which include manufacturing and marketing of dipped latex and other consumer products. There are other subsidiaries in the U.K., Europe and Scandinavia, whilst the parent company has extensive worldwide interests.

Compensating salary will be in the region of £3,750 per annum, a car will be provided and fringe benefits include a non-contributory pension scheme and extensive sick benefits, which include permanent health insurance.

Please telephone or write for an application form to: H. Thirring, Personnel Manager, L.R. INDUSTRIES LIMITED, North Circular Road, Chingford, London, E.A. Tel: 01-527 2377.

**L.R. INDUSTRIES LTD.**

Box No. replies should be addressed to THE SUNDAY TIMES, Thomson House, 200 Gray's Inn Road, London, WC1, unless otherwise stated. No original testimonials, references or money should be enclosed.

## COMPUTER BUREAU Planning Manager

One of the largest computer bureaux in G.B. wishes to appoint a Planning Manager to organise the development of the Central Planning Division. Planning is organised both centrally and at the level of the Company's operating divisions.

The Company provides a comprehensive range of computer services, including a newly developed system for real time interactive work. Turnover 1970/71 is approximately £4.5 m., and is growing at 20% per annum.

### The Planning Division

The main tasks of the P.D. are to (1) make recommendations concerning the development of the Company, (2) integrate Divisional and Central plans, (3) organise Management Information, and (4) monitor the progress of the Company. The Division employs twenty staff, and is located in the South of England.

### The Job and the Person

The Planning Manager, reporting to the M.D., is responsible for ensuring that the tasks of the P.D. are successfully carried out. He is a member of the Company's Management Committee, and

he will be expected to play a major role in the elaboration of market strategies.

The Manager will be working at a level equivalent to a G.M. He requires managerial abilities, mature marketing skills, and a developed sense of analytical techniques. The person appointed will already have had considerable managerial experience, probably in the computer industry. This experience is not likely to have been gained before the early 30's, and the successful candidate will probably already have assumed General Managerial responsibilities.

### Salary and Benefits

The total earnings range for the job is the same as for a G.M. Salary is negotiable within the range £5,250 to £6,750. In addition to basic salary there is a bonus scheme. A company car will be provided.

The Tavistock Institute has been retained by the Company to advise on the selection. Applicants should write briefly to: A. G. K. Bain, C.A.S.R., Tavistock Centre, 120 Belsize Lane, London, NW3 5BA, and they will be sent a Job Description and an application form.

## Young Accountant

circa £2,750

A progressive, fast expanding company requires a young Chartered Accountant who is looking for practical experience in a medium sized company, whose management systems and methods of financial planning and control have been an integral part in the cost effectiveness through the application and creative interpretation of budgetary control. In addition there will be some company secretarial work including statutory books and accounts.

Candidates, probably aged 24-28, should write, giving brief career details which should include salary and career progression, to: Personnel Manager, Pembroke Packaging Limited, Paycocke Road, Basildon, Essex.

## Merchandise Buyer/Controller for Direct Selling Company

A privately-owned holding company with ample resources, is setting up a direct selling organisation to supply at keen prices, good quality household articles, home assembly type furniture and leisure goods and other family needs. We require, therefore, someone skilled and proven in procuring this merchandise for price and value conscious mail order and retail custom.

This is an exceptional opportunity, and is possibly more likely to attract the ambitious and creative younger man determined to prosper in this developing field. Initial terms provide, therefore, for an appropriate salary, commission on profits plus a car, with prospects of share ownership and a Board appointment to be realised.

Please write fully and in confidence, detailing age, experience and dates to Managing Director, S. & S. Warehouses Ltd., Essex House, Bridge Road, Boole, Lancs. L30 4UJ.

## Financial Controller

c. £4,500

The UK Division of an International quality Radio, TV and Audio company wishes to appoint a chartered accountant who will be responsible to the Managing Director for the financial control of a company preparing to make turnover in the next three years.

An appreciation of marketing techniques, proven managerial ability and a placid temperament are the essential requirements for this fast moving industry. Possession of a joint diploma in management accounting and experience of monitoring the DP function would be assets.

Preferred age early thirties. Salary around £4,500. Car provided. Location Home Counties on Thames.

Please apply, in complete confidence, to Price Waterhouse Associates, Management Consultants, 31/41 Worship Street, London EC2A 2HD, quoting MCS/3226.

## ALCOHOLIC ACCOUNTANT!

To introduce budgetary controls, cost and profit analyses, reorganise an existing department, and help the M.D. plan the next phase of growth (including possible acquisitions) for an expanding company marketing a range of branded and nationally known alcoholic drinks.

The right man will be a C.A. aged about 30 and interested in management as well as accountancy. The salary is negotiable around £3,500, plus profit-sharing and there is a realistic possibility of an equity stake and directorship. The location is South London and a car is provided.

Please telephone MANAGEMENT CONSULTANTS (SELECTION) LIMITED, 01-580 2977 for an application form.

## CECA

A European International Group serving Offshore Drilling Operations in the North Sea, seek to appoint a

## GENERAL MANAGER

NORTH SEA DEPOTS

This is a new appointment to meet expanding potential for their existing and protected depots.

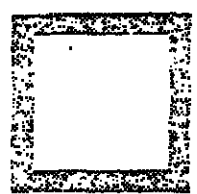
The Manager will be responsible for logistical movements of materials and supplies and will co-ordinate the work of the existing Depot Managers.

Administrative or O & M skills. An Engineering qualification. Petroleum industry experience a major advantage. Senior executive salary negotiable and commensurate with the responsibilities. Transfer pension arrangements where possible. Age to the early forties preferred.

Written application to the Company Secretary marked externally "confidential." All applications will be treated with the strictest discretion.

THE BRITISH CECA CO. LTD., ITS PICCADILLY, W1V 6UL.





## An MSL Consultant has analysed each appointment

Please write or telephone as indicated in each advertisement.  
MSL 17 Stratton Street London W1X 6DB: 01-629 1844 (at any time).  
Your enquiry will be in confidence.

### Radio Broadcasting Senior Adviser Alternative Service

This is a temporary appointment to assist the Minister of Posts and Telecommunications in developing the proposals in the Government White Paper "An Alternative Service of Radio Broadcasting" (Cmd. 4636; March 1971). If and when the necessary legislation has been passed by Parliament, the successful candidate may be invited to join the staff of the proposed Independent Broadcasting Authority. The senior adviser will co-ordinate the work of a small team of specialists who will investigate and make recommendations on methods of achieving the objectives of the White Paper and who for this purpose will work alongside the Independent Television Authority. In particular he will advise on the planning and establishment of an alternative radio system as outlined and will co-ordinate consideration of relevant engineering, finance, programme, advertising and legal matters. He will deal with questions raised by potential programme companies and enter into discussions with other organisations interested in the provision of programme material or other services. Candidates must be top level administrators with a successful record, be able to tackle the problem of establishing and operating a broadcasting service, and have several years' relevant experience preferably in public communications using one or more of the major media. Please write stating how each requirement is met to P. H. L. Thomas reference SA.11131.

### General Manager—Sales up to £5000 Safety Products Home Counties

Part of a major international group of companies, our client is a leading supplier of a wide range of safety products to industry and other users. The objectives of the appointed candidate will be to maintain the rate of growth which has already been achieved in existing markets, to open up new outlets, and to develop a marketing strategy based on the provision of a comprehensive safety service. He will be accountable to the Managing Director. Aged 37 to 45, and preferably holding a degree or equivalent professional qualification, he will have extensive and successful experience in sales and marketing—probably in engineering. He must have been accountable for the creation of marketing policy—and for its implementation through a national sales team. His current salary is unlikely to be less than £3,500. Rover 2000 and other appropriate benefits. Please write or telephone for further information. C. Bexon reference SA.2494.

### Chief Accountant £4500 plus Freightliners Limited London

A subsidiary of the National Freight Corporation, Freightliners Limited provides fast, low-cost container train transit through highly-mechanised operating terminals and the associated road delivery and collection services. The Chief Accountant will be responsible to an Assistant Managing Director for the management and further development of the well established financial function. He will also play a key role in the planned doubling of the company's turnover by 1975. Preferably 35 to 45, he must be an ACA, ACCA, or AGWA. He will have several years' senior experience and will be thoroughly familiar with modern techniques of financial management. He will also have the management skills that will enable him to provide effective leadership to a strong supporting team. The career prospects are very good and could be in either financial or general management. Re-location assistance. Please write or telephone for further information. C. Bexon reference SA.2495.

### Marketing Manager at least £4000 Foodstuffs London

for a company with a national reputation, a subsidiary of a group which achieved sales of £294m. in 1970, which plans expansion of business especially through supermarkets, chains and multiples. This new appointment carries accountability to the MD for the total sales/marketing function including managing the regional sales offices, the special accounts function, market research, forecasting, advertising and negotiations with major customers. Candidates, under 45 years, should have had experience relevant to these duties and a record of successful selling and marketing with fast-moving consumer goods. The ability to formulate and execute marketing policy and to motivate sales staff to achieve objectives is essential. Please write stating how each requirement is met to Dr. E. A. Davies reference SA.40017.

### Systems Engineers—Canada up to \$15,000

They will join a recently formed project team to work on a multi-functional equipment system for aircraft. A subsidiary of a large international group, the company is competing strongly for this contract. Reporting to project team leaders, the systems engineers' specialist activities will include navigational systems, communications systems, display systems, tactical data processing systems, sensor systems, acoustic systems, and integrated logistic support systems. Within their activity, they will design and develop systems to fulfil operation requirements, producing specifications to define the equipment, and integrating the systems into the aircraft with performance specifications. Probably aged over 25, candidates must be qualified engineers and have at least 5 years' industrial or military experience of design, development, and evaluation in a relevant specialist activity. Experience of aircraft equipment installations would be valued. Pension; life assurance; generous re-location help. Long or short term contracts. Please write or telephone for further information. G. E. Howard reference SA.2502.

### Accountants (2)—Paris

for a recently acquired subsidiary company of a multi-national group employing over 20,000 persons and having a turnover exceeding \$180m. Both appointments, described below, will be located in Paris and fluency in the French language is essential. Fringe benefits include medical cover, 4 weeks' annual holiday. Assistance with re-location. Negotiable starting salary. Please write or telephone for further information to P. H. L. Thomas quoting the appropriate reference.

#### Senior Accountant

to be responsible to the Accounting Manager for the upgrading of accounting systems for accounting studies and field work involving costing and preparation of budgets. Candidates should be either chartered or certified and must have substantial post-qualification experience either in the profession or in industry. Preferred age 27 to 35; up to \$16,000. Reference SA.2496.

#### Accountant

for similar but less responsible work with at least 5 years' accounting experience in either costing or audit work. A fair amount of travel will be involved. Preferably under 30 years of age, up to \$10,000. Reference SA.2497.

### Industrial Engineer about £4500 Aluminium Smelting Bahrain

Aluminium Bahrain (ALBA) will be producing about 60,000 tons of aluminium per annum by the end of 1971 and 120,000 by the end of next year, when in full production. The Industrial Engineer will be responsible to the Divisional Production Manager and will assist in the organisation and control of all production from the smelter; conduct efficiency studies; co-ordinate industrial engineering, safety aspects and reporting systems; and investigate problem areas. Emoluments (salary plus various allowances) quoted above are presently tax free and currently there are no exchange control restrictions. Conditions of service accord with the best overseas practice and will be revealed to candidates invited for interview. Candidates, in their late 20's, must be qualified engineers with metallurgical backgrounds or qualified metallurgists with backgrounds of at least three years in industrial engineering. Please write stating how each requirement is met to K. A. McIntosh reference SA.30163.

### Managing Director £4000 plus International Freight

for Pickfords Shipping and Forwarding Co. Ltd., a subsidiary of the National Freight Corporation. He will be expected to develop further the company's long-established role in international freight and associated activities, to carry through the changes made necessary by a business strategy directed at profitable growth, and to achieve agreed business objectives. London-based, the appointment will initially involve considerable travel in the UK and throughout the world. Ideally in his 30's, he must have profit accountability experience in a marketing oriented business, preferably in the field of international freight forwarding. Candidates who can offer firm evidence of success in other fields will, however, be considered. Experience involving overseas agency operations would be highly advantageous. Company car, re-location assistance, and other benefits. Please write or telephone for further information. C. Bexon reference SA.2488.

## FINANCIAL DIRECTOR DESIGNATE

Our client is a well-established national Group with an excellent growth and profit record, operating mainly in wholesale and retail distribution and with substantial manufacturing interests. Turnover reaches £50 millions and 5,000 staff are employed at locations throughout the U.K. Considerable further expansion and diversification are planned.

c/o T. M. Ninan,  
BARTLETT RECRUITMENT SERVICES,  
35 Red Lion Square, LONDON, W.C.1.

A financial Executive of Director calibre is required. He will take responsibility for all aspects of financial and accounting control and co-ordination throughout the Group.

The right candidate is a Chartered Accountant under 40 and already earning about £5,000 p.a. He has a sound background of commercial accountancy and administration. His recent experience is in market-oriented companies in which he successfully integrated the EDP and accounting functions. He can make optimum use of the computer.

The starting salary is negotiable and progress should be rapid leading to an early Board appointment. Comprehensive fringe benefits include a company car. Head Office is now near the City but will be relocated in the Home Counties north of the Thames. Some travel in the U.K. will be involved.

Please write in strict confidence to the Chairman, detailing education, training and employment history, quoting ref: FDD.

Letters will be passed UNOPENED to our client and all applications acknowledged. Companies to whom you do not wish your letter to be forwarded, should be listed and addressed to the Security Manager.

## Chief Accountants Internal Auditors

NEW Job Interest  
NEW Experience  
NEW Surroundings  
in ZAMBIA

c. £4,800

Find all these and more with Indeco, the largest and fastest growing enterprise in the Country.

Indeco is a group of more than 80 subsidiary and associated companies covering a complete range of industrial and commercial activities with a total staff of over 25,000 employees.

There are several vacancies for young qualified accountants to join the operating subsidiaries or the central office of Indeco, where they will be responsible for ensuring financial management control throughout the Group's subsidiaries.

The problems encountered are varied and challenging and provide excellent opportunities for personal development.

The posts are on a three year contract basis and offer a terminal gratuity of 25% of each year's salary. Basic salaries will be negotiable up to £4,000 according to experience.

Benefits include subsidised housing, free life insurance, educational allowances for children, language allowances, free air fares for appointees and family to and from Zambia. Those appointed will be based in Lusaka, Zambia's pleasant and modern capital, or in Nakoma on the Copperbelt, both of which enjoy an excellent sunny climate.

The Financial Controller of Indeco will be in London this month to conduct interviews for the above positions. Applicants who meet the A.C.A., A.C.C.A., I.C.W.A., or C.I.A. are asked to write immediately for an application form to J. S. Strling, IWT Recruitment (A/R/S/T), Moor House, London Wall, London EC3Y 5HS.

## ACCOUNTANT

Applications are invited from young men preferably aged 25 to 30 for the position of Accountant for a well-established and substantial company in the field of shopfitting and specialised joinery work.

The Accountant will report to the Board and will be responsible for all aspects of the accounts function, including the preparation of detailed monthly financial reports and the management of staff. He will also be required to develop the company's costing system.

Applicants should preferably, though not essentially, be qualified C.A. or C.W.A. and have had two to three years' industrial experience. Applications will also be considered from men with two to three years' professional experience following qualification.

A practical knowledge of cost control techniques would be an added advantage.

The position is based in North London. A good starting salary will be paid. Benefits include pension scheme, life insurance, etc.

Apply, in first instance, giving full details of your career and experience, to the Group Personnel Director, to whom you will also wish your application should not be submitted. Applications, quoting ref. 29481/14, should be addressed to:

Miss J. G. Davies,  
48 Bedford Gardens,  
London, W.8.

All applications will be acknowledged.

## Financial Controller £3,500-£4,000

Expanding Company, Division of International Group, require a Qualified Accountant who has had experience in the medium/heavy engineering industry. The successful applicant will be a member of the top management team and must be capable of making a significant contribution to the profitability of the Company. The position, which has excellent career prospects, is pleasantly situated near Bedford. Send full details to the General Manager.

EMCO (GB) Ltd.,  
STATION ROAD,  
ST. NEOTS, HUNTS.

## Manager—Finance and Administration £5,000+

The appointment involves line responsibility for the Management and Laboratory Services Division, and overall financial planning and control; the latter activity will involve:

- operation of a comprehensive income and expenditure budgeting scheme
- formulating capital requirements
- advising on pricing arrangements

The successful candidate will be a qualified accountant, probably less than 45 years of age, who has had experience in financial management, commercial contract negotiation and company legal activities and procedures. A commensal salary in excess of £5,000 is offered and the Association will make a generous contribution towards removal expenses if these are incurred.

Interested candidates can make application by requesting a personal history form from Price Waterhouse Associates, 31/41 Worship Street, London EC2A 2H and quoting reference MCS/1539.

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Salary is negotiable from £3,000 p.a. and there is a non-contributory pension scheme. Assistance will be available with the expenses of removal and rehabilitation.

Please write to us stating current salary and how you meet our Client's requirements quoting reference FC/3128/ST on both envelope and letter. No information will be disclosed to our Client without permission.

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Candidates (aged 40/50) will be members of a recognised Accountancy body and will have experience including 9 years' control at Group level, the introduction of financial management controls in a Company and a variety of industrial accountancies experience.

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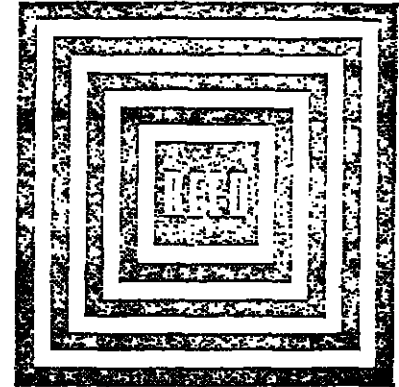
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The responsibilities of the man appointed will include formulation and implementation of Group Policies, part relating to the acquisition and deployment of financial resources, advice and guidance on major Group or Company financial decisions, oversight of Group liquidity, cash flow, and financial control of subsidiary company operations.

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Apply for application form, quoting reference P/L Mr. J. B. Horvath, Knight Weyenstein Ltd., Executive & Senior Division, Commercial Union House, 75 Mosley Manchester M2 3BA, telephone 061-225 1293.



WALL PAPER MANUFACTURERS LIMITED is one of the three principal UK subsidiary companies of Reed International. Its eight divisions include Wallcoverings, Sanderson, Paint, Merchant & Retail, Texales, Polycell, Building Products and Household Textiles. There are some 18,000 employees.

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We are in the process of creating the management team and now have this key opening for a Commercial Manager.  
 The job is challenging, because he will be building sales up from scratch, and varied because it covers the complete commercial/sales/marketing spectrum.  
 Specific duties will include setting up and running the company's estimating and cost control functions, contractual negotiations and above all maximising the profitability of products ranging from research reactors to fuel handling equipment.  
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Salary and fringe benefits will match the exacting job specification, Write to:  
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Regional interviews will be held during the week commencing and August with final interviews in London during the week commencing 16th August. Travelling expenses will be refunded. Candidates for these appointments must be available to join a full-time


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Commencing salary will be at least £1,300 plus Company car, all business expenses, non-contributory pension and life assurance schemes. Ref: MR/BS.T.

Please write, specifying a preferred area in which you must be resident or prepared to move to, quoting the reference to:

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# SUNDAY TIMES BUSINESS NEWS

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## Why fair rents will bring giant wage demands

SOME LOW PAID workers will soon need pay rises around 40% a year if their standard of living is not to fall. This startling conclusion follows from last week's Government rent rebate proposals, which completed a cycle of tax and subsidy changes started when the Conservatives took office 13 months ago. The figure which applies to the 3 million families earning up to £12 a week, assumes an 8% rate of inflation—slightly lower than Britain has been experiencing recently. The majority of workers will not need such pay rises, but millions will require increases of around 12 to 13%, a year just to keep up with the cost of living. These facts are bound to jeopardise the Government's policy of stemming high wage demands and will shatter any lingering hopes in Whitehall of devising an incomes policy acceptable to the unions.

What the Government has, in essence, done with the Family Income Supplement announced last autumn and merged with the rent rebate scheme, is to provide low-paid workers with subsidies which rapidly diminish as their incomes rise. The result is that at certain levels a pay rise will lead to only a small extra sum of money to spend after the rent has been paid. As the rent rises, the slowest rise in net income

occurs in the £10 to £16 a week gross income band which covers over one million families. Here, out of a £6 a week rise, only £1.20 could actually be spent. This is, in effect, a marginal "tax" rate of 80%—which, astonishingly, is even higher than the top surtax rate, now 78%.

The Government's plans affect any family living in a council house or flat, or renting privately unfurnished accommodation. This amounts to almost eight million families in all; or two households in every five in Britain—which means a majority of families living on average or below average incomes. As an illustration of what will happen when the rent rebate scheme starts in 1973, consider the case of a family with two children under 11, living in a council house with a "fair rent" of £6 a week. (The fair rent system will supersede the present one, where rents are often subsidised irrespective of the occupants' income.)

At £5 a week, or £16 a year, the rent will be subsidised to the full amount; in addition the family will receive a family income supplement (FIS) of £136 a year. After national insurance has been paid, the disposable income will be £254. At £9 a week, the family income supplement will be £136 a year, the disposable income will be £254. At £9 a week, the family income supplement will be £136 a year, the disposable income will be £254.

At £10 a week, the FIS starts to decline, ending altogether at £16 a week. From then until almost the £20 a week mark there is a fall where neither FIS is received nor income tax paid. But after that, 30p of every extra £ earned goes to the Inland Revenue. At £40 a week the rent subsidy stops, and at £42 national insurance contributions reach their peak. From this point on, only income tax continues to bite more deeply into increased earnings.

The chart/table shows what happens. Net income (disposable income after the rent has been paid) rises very much more slowly than gross income. At £10 a week the FIS starts to decline, ending altogether at £16 a week. From then until almost the £20 a week mark there is a fall where neither FIS is received nor income tax paid. But after that, 30p of every extra £ earned goes to the Inland Revenue. At £40 a week the rent subsidy stops, and at £42 national insurance contributions reach their peak. From this point on, only income tax continues to bite more deeply into increased earnings.

The position of a family with two children under 11 living in a council or unfurnished private house/flat where fair rent is £6 a week

Gross income	Gross income	Income effect	FIS effect	Nat. ins. effect	Rent effect	Annual net income
£	£	£	£	£	£	£
10	520	—	+156	-49	-14	613
12	624	—	+109	-54	-40	639
14	728	—	+57	-59	-66	660
16	832	—	—	-64	-92	676
18	936	—	—	-69	-118	749
20	1,040	-29	—	-74	-127	810
25	1,300	-108	—	-85	-182	925
30	1,560	-186	—	-96	-226	1,052
35	1,820	-264	—	-107	-271	1,178
40	2,080	-343	—	-118	-312	1,307
42	2,184	-374	—	-122	-312	1,376
50	2,600	-500	—	-122	-312	1,666

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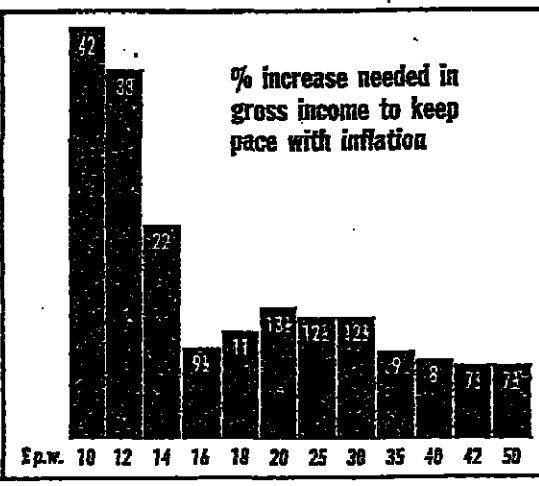
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But as income tax begins to bite, the required pay rises once more start increasing. Because millions of workers earn £20 to £30 a week, it is to this range that many union officials will look. If any union negotiator wants to protect those members who rent council or unfurnished accommodation against an 8% rate of inflation then, when the new scheme starts, he will have to demand 12 to 13% higher wages. Naturally, any increase in real living standards would require even larger rises.

At higher incomes, the situation is less bleak. Only income tax rises on rising wages. At £70 a week, a pay rise will be sufficient to ward off the effects of inflation. Indeed, above £40 a week, the marginal rate of "taxation" (including rent) is actually lower than the average rate—and remains so until surtax begins.

There is a further consideration, not included in the chart/table. At £20 a week, a family with two children is entitled to free prescriptions, and optical and dental treatment, free school meals for children at school, and free milk and welfare foods for children under school age. By £22 a week, all

% increase needed in gross income to keep pace with inflation



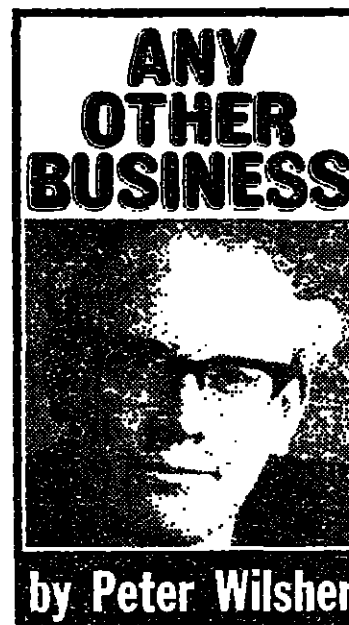
## Who really cares about consumer

WHICH POLITICAL party in Britain genuinely represents the consumer? Neither the Tories, despite their emphasis on competition, standing-on-your-own-feet and widespread tax reduction, nor Labour with its attachment to blanket subsidies, state ownership, and selective interventionism. They both, when it comes to the crunch, believe that the gentleman in Whitehall and Westminster knows best. And although they both talk a great deal about the need for personal responsibility in a mature society, they both contrive, in their various ways, to minimise the area of personal choice where such responsibility can actually express itself.

Sam Brittan, I am happy to recognise, as a fellow financial journalist, is one of the most subtle and penetrating economic thinkers currently writing in Britain. In his new pamphlet, "Government and Market Economy" (Institute of Economic Affairs, 75p), which is out this weekend, he analyses just how such choice has been, and continues to be, curtailed; and even more interestingly, how its extension could help to solve many of those complex social, environmental, distributional problems which we find so intractable under our two present alternative regimes.

It is hardly necessary to say that there is no crude call here for a return to the blatant laissez-faire, no-holds-barred type of "economic freedom" which is supposed to have characterised 19th-century capitalism. Brittan sees as clearly as anyone that such fundamental matters as poverty, health, education, regional balance, housing and city transportation cannot, in our age, be left to the unfettered workings of the private enterprise market.

The point he makes, however, is that both Conservatives and Socialists take far too black and white an attitude here. Because unfettered private enterprise is no longer tolerable in many of the key areas of economic life, they both, in their different ways, arrange things so that no effective private enterprise can operate there. And the result increasingly tends to be a situation where all the really significant needs of human existence are met on a take-it-or-leave-it, state-encouraged monopoly basis, either "free" or at artificial prices subsidised out of some part of the central tax fund. Take home pay, by and large, is disposable only in the areas of food, household furnishing and leisure. With the result



by Peter Wilsher

that "what people really want" can, over an increasingly wide area, be expressed only through the blunt instrument of the ballot box, and not through the direct and detailed discipline of the purse and the cheque book.

One valuable service Brittan performs here is to show just how limited the Tory effort has been over the last 12 months to extend this area of choice. All the great talk about shooting lame ducks, the stimulating effect of bankruptcies, the moving of State activities, the move to less-better Government, and the need for selectivity in the social services, in fact add up to quite remarkably little in the way of increasing the scope for personal decision-making. "More competition" is a fine slogan; but what has usually happened is merely a shift in responsibility from one Government-backed monopoly to another (as with the setting up of the "second force airline" or from one paternalistic bit of the bureaucracy to another such as shutting down the IRC just before the Rolls-Royce debacle, and then sending the governor of the Bank of England round the City with his begging bowl instead). And when Edward Heath actually found a place of administrative fabric specifically devoted to improving the workings of the competitive market, like the Consumer Council, his only thought was to close it down in order to save £240,000 a year.

The book is probing and provocative, in its slender 76 pages, on a variety of topics from Concord ("the most flagrant... of anti-market policies") to the new agricultural policy ("the consumer would pay a cost of food only if the out of farm subsidy followed by a free policy"). But perhaps the most convincing of the through-the-way ideas develops as to how a sophisticated market might be expected to improve quality of life and choice.

He is particularly convincing on the urban mess where the crippling incurred on subsidised or utilised commuter routes is compounded by the tangle and frustration of city traffic jams. Instead of the loss-making train routes, he says, it is far more sensible to let the transport services be run by the market, with competition to improve quality of life and choice.

Such an approach would allow premium rates for need-based services, like night bus or tube service. London. People, he would be quite happy to see to get home at 4:15, the only alternative is a and the high fares would really attractively premium to a range of private rest, while making use of scarce road space under-used commuting.

It is micro-areas where authoritarianism benevolent State have dr commercial imagination tative from the scene general loss of all.

Everywhere, from se air-travel, we want new thinking up new ideas, new methods of need (or inventing n have never thought o despite the anti-d school, has probably do than anything to imp quality of our lives), adding us to buy the re of our own pockets everywhere from pens hospitals, we tend to z requirements supplied o differentiated, not very rather high-priced bas State which cannot u why we are not more or why the macro-econ lems, which largely at this approach, are so he ing. Perhaps, one day, voice of the consumer u be heard in Whitehall a then we may all have chance.

## New freight chief slashes £25 million loss

WITHIN a couple of years one of the latest ducks in the public sector ought to be out of the red. The new management at the National Freight Corporation, under Dan Pettit, who until last year ran Unilever's successful SPD transport subsidiary, is confident that by 1973 National Carriers Ltd., which last year made a loss—before paying an interest on its capital—of around £12 million, will break even.

This would be a spectacular achievement. In 1968, when NCL was still a British Rail parcels subsidiary it made a loss of £25 million—about half its turnover. Losses since then have gone down

to £18 million and then to £12 million. This year the loss should be down to £8 million, and the year after to £3 million. This forecast implies that NCF will need under £40 million out of the £60 million five-year government grant which it was given to cover NCL's deficits.

This short-term saving involves the closure of many of NCL's smaller depots, concentrating on bigger customers and handing over some of the local parcels collections to small private businesses. But also, like a lot of NCF's present policies, it involves an aggressive search after business. Pettit's whole strategy was expressed in a management re-

BY NICHOLAS FAITH

organisation earlier this year. This has grouped NCF's sprawl of companies including such well-known names as Pickford's and Tartan Arrow as well as the thousands of yellow-painted vans and lorries carrying the BRS symbol under six co-ordinators. Pettit's strategy is strictly commercial, and any of his 30-odd companies that does not show signs of being able to earn 15% on the capital employed is likely to be chopped. But he is hoping to use NCF's at present barely-profitable 30 company sprawl to provide a more thorough range of

transport and warehousing services for industry than any of his private sector rivals. Already NCF has a number of such ideas, like Nightpak which delivers at night to many supermarkets and Airlink, a joint company with the nationalised airlines, to speed up the delivery and collection of air-freight.

Other joint ventures are likely to follow. Airlink and the consortium of nationalised road, rail and docks which will be handling Southampton's massive container business from next year. One of the most spectacular such ventures could be a joint offer by NCF and the railways, to the Post Office to do all the long and short

haul carrying needed for parcels and letters alike.

But if Pettit can't get the right sense of urgency into his empire, then more of his companies could be a candidate for hiring-off already his two shipping companies, which were due to be sold to British Rail, are beginning to be sold off; and, a number of other NCF companies are either so profitable (like some of the local haulage groups which earn up to 30% on their capital), so separate (like Pickford's household removals and Travel Service) or so unprofitable (like the parcels interests) that they would be prime candidates if all does not go right.

Peter Kellner

General Appointments

General Appointments

General Appointments

General Appointments

## Insurance Broking

A Clearing Bank, expanding into new fields, is establishing a professional insurance broking service for its private customers, with special emphasis on life assurance. Initially, Centres will be established in London and Manchester, and opportunities exist for persons well qualified and experienced in insurance to help launch this new venture. Other Centres will be opened later.

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will be responsible for advising clients and placing their insurances and for developing the business through the Bank's network of branches. A.C.I.I. desirable, plus 5 years' experience of life assurance, including estate planning. Preferred age 28-33. Salary c. £3,250.

### Technical Services Assistant

as an assistant to the Technical Services Manager, this appointment has great possibilities for the young man or woman with a sound basic training in life assurance who is keen to learn and ambitious to progress. Age 20-25, studying A.C.I.I. Salary c. £1,500.

### Technical Services Manager

London based; to be responsible for supplementing the technical knowledge of the consultants, analysing the market, assessing fresh contracts and designing new products. A.C.I.I., wide experience of the market, sound technical knowledge (including tax and estate duty legislation) essential. Preferred age 28-33. Salary c. £3,000.

### Junior Consultants

are required at both Centres, to advise clients, largely on their own initiative. A.C.I.I. desirable plus 3 years in life assurance, with some sales experience. Age 22-28. Salary c. £2,000.

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## HEAD OF DESIGN AND DEVELOPMENT DEPARTMENT

Applications are invited from senior professional Engineers for the post of Head of the Design and Development Department. This Department forms part of the Engineering Division and is expanding its activities in new product development and the design of special purpose machines.

The duties of this post involves responsibility for the management of the Department which includes project officers, drawing office staff and a well equipped workshop. Candidates must have proven ability in engineering design (about 10-15 years experience of such work preferably a degree in Mechanical Engineering and must have full professional qualifications, M.I.Mech.E. or equivalent.

The work is challenging and creative requiring original ideas, knowledge of modern machine processes and management techniques.

Appointment will be at Principal Scientific Officer level on a salary scale rising to £4,090 per annum. Entry point on scale will depend upon qualifications and experience.

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Application forms are available from the PERSONNEL MANAGER, INSTITUTE FOR INDUSTRIAL RESEARCH AND STANDARDS, BALLYMUN ROAD, DUBLIN 9, IRELAND, who should receive completed forms not later than August 16, 1971.

The Jefferson Smurfit Group Limited—a diverse organisation employing approximately 4,000 people and leaders in the field of print and packaging in Ireland—require the services of a

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for their growing plastics developments. A minimum of five years industrial experience, mainly in the field of film extrusion, and preferably also vacuum forming and film conversion for packaging products, is required.

A thorough knowledge of Polymer Science and the latest developments in high and low density Polyethylene extrusion is also necessary. Ideally, the successful candidate should have degree qualifications in Engineering, Chemical Engineering or Science.

As yet no salary has been decided for this appointment, but it will be attractive, and will depend upon the calibre and qualifications of the applicant.

The eventual prospect for the man selected would be overall technical responsibility for the Jefferson Smurfit Group Plastics Division, under the Group Projects Controller. Initially, however, he will join the staff of our existing low density Polyethylene extrusion company in Dublin.

All applications will be treated confidentially. Apply in writing, with details of experience, and qualifications, to:

C.R. Dunlop, Personnel & Training Officer, Jefferson Smurfit Group Ltd., Swords Road, Santry, Dublin 9.

JEFFERSON SMURFIT GROUP LIMITED

## Motor Industry Essex

## WORK STUDY MANAGER

Applications are invited for the post of Work Study Manager for a Light Engineering Company manufacturing in quantity for the Motor Industry.

An experienced Manager is required who can determine the necessary programmes of work study activity and who has the drive to ensure their successful implementation. The successful applicant is likely to be a corporate member of I.S.W.P. with an H.N.C. and between 30 and 40 years of age.

The salary will reflect the importance that the Company places on this appointment.

Applications should be addressed to: V. J. Siver, Delanair Limited, Heater Factory, Abbey Road, Barking, Essex.

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Please write for full details and an application form, quoting reference M3B/700807/ZL to:

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To assist the Personnel Manager in the whole personnel function, plus the specific task of organising training for all employees and at all levels.

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Crane House, London, SE1, convenient to London Bridge and Waterloo stations.

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Apply in GUARANTEED CONFIDENCE, stating telephone number, age, details of education and experience, names of firms, positions held with dates, starting and final salaries. Reference: ST/GM/7155. Short listed applicants can expect acknowledgement within fourteen days of receipt of application.

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